

**ASTRA MICROWAVE PRODUCTS LIMITED**

Regd. Office : ASTRA Towers, Survey No. 12(P), Kothaguda Post,  
Kondapur, Hitechcity, Hyderabad, Telangana, INDIA - 500084  
Tel : +91 40 30618000, 30618001, Fax : +91 40 30618048  
Email : info@astramwp.com, website : www.astramwp.com  
CIN : L29309TG1991PLC013203

July 16, 2019

To  
The General Manager  
Department of Corporate Relations  
**BSE Limited**  
Sir Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai -400 001

To  
The Vice President,  
Listing Department  
**The National Stock Exchange of  
India Limited**  
Exchange Plaza  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051

**Scrip code: 532493**

**Scrip code: ASTRAMICRO**

Dear sir,

**Sub: – Annual Report under Regulation 34(1) of the SEBI (Listing  
Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the  
Annual Report of the Company along with the Notice of the Annual General  
Meeting for FY 2018-19.

Please take the same on record.

Thanking you,

Yours faithfully,  
**For Astra Microwave Products Ltd**

**T. Anjaneyulu**  
**Dy.G.M - Company Secretary**



Works :

Unit 1 : Plot No. 12, ANRICH Industrial Estate, Bollaram, Medak Dist., Telangana State - 502 325  
Unit 2 : Plot No. 56A, ANRICH Industrial Estate, Bollaram, Medak Dist., Telangana State - 502 325  
Unit 3 : Sy. No. 1/1, Imarath Kancha, Raviryala (Vil), Maheshwaram (Mdl) R.R. Dist., Telangana State - 500 005  
Unit 4 : Sy. No. 1/1, Plot No. 18 to 21, Imarath Kancha, Hardware Park, Raviryala (V), Maheshwaram (M) R.R. Dist., T.S. - 500 005  
R&D Centre : Plot No. 51 P, Bengaluru Aerospace Park(KIADB), Survey Nos Parts of 36 to 40, Bengaluru North, K.S. - 562 149.



# Astra Microwave Products Limited

*On A Winning Wavelength*



DEFENSE



SPACE



METEOROLOGY



## ANNUAL REPORT

### 2018-19



**Astra Microwave Products Limited**

RF & Microwave Solutions for Strategic Applications

# *Vision*

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To be at the Forefront of the  
Wireless communication revolution  
through research and development

Investing in technologies  
that can lead to leadership

Employing the finest talent  
to reach the top through excellence.

*E*xplore *I*nnovate *I*nvent

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## QUICK INFORMATION

### Board of Directors

Dr. Avinash Chander	Chairman & Independent Director
Mr. S.Gurunatha Reddy	Managing Director
Mr. M.Venkateshwar Reddy	Joint Managing Director
Mr. V. Venkata Rama Sastry	Independent Director
Mr. B.Lakshmi Narayana Raju	Independent Director
Mr. Sunil Kumar Sharma	Additional Director (Independent Director)
Ms. Kiran Dhingra, IAS (Retd.)	Additional Director (Independent Director)
Mr. Atim Kabra	Additional Director (Non-Executive Director)

### Chief Financial Officer

Mr. B.V.S.Narasinga Rao

### Company Secretary

Mr. T. Anjaneyulu

### Auditors

Price Waterhouse Chartered Accountants LLP  
Plot No. 77/A, 8-2-624/A/1, 3rd Floor,  
Road No. 10, Banjara Hills, Hyderabad -500 034  
Tel: +91 (40)4424 6000, Fax: +91(40)44246300

### Bankers

Canara Bank  
HDFC Bank Ltd.,  
State Bank of India  
ICICI Bank Ltd.,  
Axis Bank Ltd.,

### Registered Office

ASTRA TOWERS, Survey No: 12 (Part),  
Opp. CII Green Building, Hitech City,  
Kondapur, Hyderabad, Telangana - 500038,  
Phone: 040-46618000 / 8001  
Website: [www.astramwp.com](http://www.astramwp.com)  
CIN: L29309TG1991PLC013203

**Factories****Unit I**

Plot No.12, ANRICH Industrial Estate,  
Miyapur, IDA Bollarum, Medak (District)  
Telangana– 502 325.

**Unit II**

Plot No.56A, 56B and 57A,  
ANRICH Industrial Estate, Miyapur  
IDA Bollarum, Medak (District)  
Telangana – 502 325.

**Unit III**

Survey No.1/1, Imarat Kancha,  
Raviryala Village, Maheswaram Mandal,  
Rangareddy (District), Telangana-500 005.

**Unit IV**

Plot no: 18, 19, 20 & 21 (Part)  
Hardware Park, Sy.No: 1/1,  
Imarat Kancha of Ravirayal village,  
Maheswaram Mandal, R.R.Dist.  
Telangana-500 005.

**Unit – V (R & D Centre)**

Plot No. 51-P, Bengaluru Aerospace Park,  
Survey Nos. Parts of 36 to 40, Dummanahalli Village,  
Jala Hobli, Yelahanka (Taluk),  
Bengaluru North, Karnataka – 562 149.

**Registrars**

**Purva Sharegistry (India) Pvt. Ltd.,**  
Shiv Shakti Industrial Estate, Unit No.9,  
Ground Floor, 7 B J R Boricha Marg,  
Lower Parel, Mumbai - 400 011.  
Tele: 91-022-23016761  
Email: support@purvashare.com



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Eighth Annual General Meeting of the Members of **Astra Microwave Products Limited** will be held at Swagath-De-Royal Hotel, 2-36, Kothaguda X Roads, Kondapur, Hyderabad on Wednesday, the 14th August, 2019 at 12.30 P.M. for the transaction of the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Board of Directors and Auditors thereon.
  - b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint Mr. M.V.Reddy (DIN: 00421401), who retires by rotation as a Director and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. Appointment of Mr. Sunil Kumar Sharma (DIN: 03614952) as an Independent Director.  
To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in force or as amended from time to time, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Sunil Kumar Sharma (DIN: 03614952), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Act in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, as an Independent Director of the Company, for a period of 5 years i.e., from March 22, 2019 to March 21, 2024 and he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Appointment of Ms. Kiran Dhingra (DIN: 00425602) as an Independent Director.  
To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in force or as amended from time to time, the consent of the members of the Company be and is hereby accorded for the appointment of Ms.Kiran Dhingra (DIN: 00425602), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Act in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, as an Independent Director of the Company, for a period of 3 years i.e., from June 24, 2019 to June 23, 2022 and she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Appointment of Mr. Atim Kabra (DIN: 00003366) as a Non-Executive Director.  
To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force), Mr. Atim Kabra (DIN: 00003366) who was appointed as an Additional Director with effect from June 24, 2019 by the Board of Directors of the

company, based on the recommendations of Nomination and Remuneration Committee and who in terms of Section 161 of the Companies Act, 2013 holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution."

7. Authorisation to the Board of Directors to pay Commission to the Non-Executive Directors of the Company under Section 197 and 198 of the Companies Act, 2013.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, provisions of Listing Regulations, in addition to the sitting fees being paid/payable for attending the meetings of the Board of Directors of the company and its committees thereof, the company be and is hereby authorized to pay its Directors (other than Managing Director and Whole-time Director of the company) for a period of 5 years with effect from 01.04.2019 to 31.03.2024, such commission as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time and equally in default of such determination) but so that such commission shall not exceed 1 per cent of the net profits of the company in any financial year (computed in the manner provided in Section 198 of the Companies Act, 2013) plus taxes at an applicable rate.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution."

8. Reclassification of Persons/Entities forming part of the Promoter Group from 'Promoter & Promoter Group Category' to 'Public Category':

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

RESOLVED THAT in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons/entities (hereinafter individually and jointly referred to as the 'applicants') forming part of the Promoter Group from 'Promoter & Promoter Group Category' to 'Public Category'.

Name of the Shareholders	No. of shares held	% of the paid up capital
K Murali Mohan	826500	0.95
A S S R Reddy	298727	0.34
Lakshmi Reddy Chittepu	195450	0.23
Padmavathi Chittepu	161780	0.19
Bhumireddy Lakshmi	112500	0.13
Chandrasekara Reddy G	50620	0.06
Subramanyam J	29995	0.03
G Thulasi Devi	200	0.00
Venkatamma Chittepu	1672	0.00
Narapu Reddy C V	50	0.00
T.Sitarama Reddy	870000	1.00
<b>Total</b>	<b>2547494</b>	<b>2.93</b>

RESOLVED FURTHER THAT re-classification of promoter as public shareholders shall be subject to the following conditions:

- Such promoter shall not hold more than ten percent of the total voting rights in the company.
- Such promoter shall not directly or indirectly exercise control over the affairs of the entity.



- c) Such promoter shall not have any special rights with respect to the company through formal or informal arrangements including through any shareholder agreements.
- d) Such promoter shall not have representation on the board of directors (including not having a nominee director) of the company.
- e) Such promoter shall not act as a key managerial person of the company.
- f) Such promoter shall not “willful defaulter(s) as per the Reserve Bank of India guidelines.
- g) Such promoter shall not a fugitive economic offender.
- h) The event of re-classification shall be disclosed to the stock exchange as a material event in accordance with the provisions of these regulations.
- i) Board may relax any condition for re-classification in specific cases, if it is satisfied about non-exercise of control by the outgoing promoter or its person acting in concert.
- j) Increase in the level of public shareholding pursuant to re-classification of promoter shall not be counted towards achieving compliance with minimum public shareholding requirement under rule 19A of the Securities Contracts (Regulation) Rules, 1957, and the provisions of Regulation 38 of SEBI (LODR) Regulations, 2015.

RESOLVED FURTHER THAT after such reclassification following shall be the Promoters of the Company:

Name of the Shareholders	No of Shares held	% of the paid up capital
B. Malla Reddy	Nil	Nil
P. A. Chitrakar	3216970	3.71
Renuka Chitrakar	2944494	3.40
Prameelamma CH	1485237	1.72
Prasanna Lakshmi .B	875622	1.01
Ramakrishna Reddy Putchalapalli	48165	0.06
<b>Total</b>	<b>8570488</b>	<b>9.90</b>

RESOLVED FURTHER THAT on approval of the SEBI Board/ Stock Exchanges upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding Pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or such other person as authorized by the Board, be and is hereby authorized to submit application for reclassification to the SEBI Board, Stock Exchanges wherein the securities of the company are listed or any other regulatory body as may be required and to take such steps expedient or desirable to give effect to this resolution.

9. Promotion and re-designation of Mr. S.Gurunatha Reddy, (DIN: 00003828) as the Managing Director of the company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT in continuance of earlier resolution(s) passed in this regard and pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with Schedule V of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or enactments thereof, from time to time), the consent of the company be and is hereby accorded for re-designation of Mr. S.Gurunatha Reddy (DIN: 00003828) from “Whole Time Director & Chief Financial Officer”, to “Managing Director” of the Company with effect from 1st April, 2019, for the remaining period of his tenure i.e., upto 29th April, 2023, at a remuneration as detailed below:

- a. Basic salary: Rs.2,70,000/- per month.
- b. Performance bonus: 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 payable at Quarterly intervals based on the preceding quarter audited/un-audited results. The total amount of performance bonus for any particular year will be based on final audited result of that year, and excess payment if any to be adjusted in succeeding year.
- c. He will be entitled to house rent allowance, medical reimbursement, leave travel allowance, leave encashment, statutory bonus, company maintained car, telephone, club fees and such other perquisites in accordance with the Company's rules.
- d. The Aggregate of salary, performance bonus, perquisites, allowances, and contribution towards provident fund taken together in respect of payment to Mr. S.Gurunatha Reddy, Managing Director shall always be subject to the overall ceilings fixed under Section I of Part II of the Schedule V to the Companies Act, 2013 in force or as amended from time to time.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Mr.S.Gurunatha Reddy as the Managing Director of the Company, he shall be paid a remuneration as prescribed under Section II of Part II of the Schedule V to the Companies Act, 2013 in force or as amended from time to time.

"RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration, however, within the limit as approved by the members.

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances etc., within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. S.Gurunatha Reddy be suitable amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

10. Promotion and re-designation of Mr. M.V.Reddy (DIN: 00421401), as the Joint Managing Director of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

"RESOLVED THAT in continuance of earlier resolution(s) passed in this regard and pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or enactments thereof, from time to time), the consent of the company be and is hereby accorded for re-designation of Mr. M.V.Reddy (DIN: 00421401) from "Whole Time Director designated as Director (Mktg. & Operations)", to "Joint Managing Director" of the Company with effect from 1st April, 2019, for the remaining period of his tenure i.e., upto 29th April, 2023, at a remuneration as detailed below:

- a. Basic salary: Rs.2,70,000/- per month.
- b. Performance bonus: 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 payable at Quarterly intervals based on the preceding quarter audited/un-audited results. The total amount of performance bonus for any particular year will be based on final audited result of that year, and excess payment if any to be adjusted in succeeding year.
- c. He will be entitled to house rent allowance, medical reimbursement, leave travel allowance, leave encashment, statutory bonus, company maintained car, telephone, club fees and such other perquisites in accordance with the Company's rules.
- d. The Aggregate of salary, performance bonus, perquisites, allowances, and contribution towards provident fund taken together in respect of payment to Mr. M.V.Reddy, Joint Managing Director shall always be subject to the overall ceilings fixed under Section I of Part II of the Schedule V to the Companies Act, 2013 in force or as amended from time to time.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. M.V. Reddy as the Joint Managing Director of the Company, he shall be paid a remuneration as prescribed under Section II of Part II of the Schedule V to the Companies Act, 2013 in force or as amended from time to time.

“RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration, however, within the limit as approved by the members.

“RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances etc., within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. M.V. Reddy be suitable amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

#### 11. Ratification of fixation of remuneration to the Cost Auditors

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the decision to pay a Remuneration of Rs.1,75,000/- (Rupees One Lakh Seventy five thousand only) to M/s. DZR & Co, the Cost Auditors of the Company for the year 2019-20, as recommended by the Audit Committee and approved by the Board of Directors, be and are hereby ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board  
For Astra Microwave Products Limited**

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

Place: Hyderabad  
Date: June 24, 2019

#### NOTES

1. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the Company. The instrument appointing the proxy must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. A person can act as proxy on behalf of Members not exceeding 50(fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% (Ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or Member.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. Corporate members intending to send their authorised representatives to attend the Annual General Meeting pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified true copy of the relevant Board Resolution to the Company.
5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto.
6. The register of members and share transfer books of the Company will remain closed from 08.08.2019 to 14.08.2019 (both days inclusive) for the purpose of determining the members eligible for dividend.
7. The dividend of Rs.0.25/- per share has been recommended by the Board of Directors for the year ended March 31, 2019, subject to approval of members. Dividend, if approved at the Annual General Meeting, shall be paid on and from August 21, 2019.

8. Members whose shareholding is in the electronic mode are requested to inform change of address and updates of savings bank account details to their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends. While members holding shares in physical form, may write to the Registrar and Transfer Agent for any change in their addresses immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
9. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 125 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
10. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on July 30, 2018 (date of last Annual General Meeting) on the website of the Company and also on the website of Ministry of Corporate Affairs.
11. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

S. No	For the financial year ended	Percentage of Dividend	Date of Declaration	Due date for transfer to the Investor Education and Protection Fund
1	March 31, 2012	35%	July 30, 2012	September 5, 2019
2	March 31, 2013	40%	September 30, 2013	November 5, 2020
3	March 31, 2014	55%	July 31, 2014	September 6, 2021
4	March 31, 2015	60%	July 30, 2015	September 5, 2022
5	March 31, 2016	60%	July 29, 2016	September 4, 2023
6	March 31, 2017	50%	July 28, 2017	September 3, 2024
7	March 31, 2018	60%	July 30, 2018	September 5, 2025

The Shareholders who have not encashed the aforesaid dividends are requested to make their claim to the Registrar, M/s. Purva Sharegistry (India) Pvt. Ltd., Shiv Shakti Industrial Estate, Unit No.9, Ground Floor, 7 B J R Boricha Marg, Lower Parel, Mumbai - 400 011 Tele: 91-022-23016761, Email: [support@purvashare.com](mailto:support@purvashare.com)

12. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:  
Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Authority.
13. Members are requested to send their queries, if any, on the accounts and operations of the Company, to the Company Secretary at least 7 days before the meeting.
14. A Member or his/her proxy is requested to bring the annual report to the meeting as extra copies will not be distributed.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc., from the Company electronically.
16. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, M/s. Purva Sharegistry (India) Pvt. Ltd.,
17. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar & Share Transfer Agent at M/s. Purva Sharegistry (India) Pvt. Ltd., Shiv Shakti Industrial Estate, Unit No.9, Ground Floor, 7 B J R Boricha Marg, Lower Parel, Mumbai - 400 011 Tele: 91-022-23016761, Email: [support@purvashare.com](mailto:support@purvashare.com)

18. Route Map showing directions to reach to the venue of the 28<sup>th</sup> AGM is attached to this Annual Report as per the requirement of the Secretarial Standards-2 on "General Meetings".
19. The Board of Directors in their meeting held on June 24, 2019 had approved the appointment of Mr. L. Dhanamjay Reddy, Practicing Company Secretary Hyderabad of M/s. L.D. Reddy & Co., as the Scrutinizer to conduct the voting process including the e-voting, postal ballot and poll at the venue of the Annual General Meeting in a fair and transparent manner.
20. Please note that as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for the Company to print the bank account details of the investors in dividend payment instruments. Hence, you are requested to register / update your correct bank account details with the Company / RTA/ Depository Participant, as the case may be.
21. As required under Listing Regulations and Secretarial Standard-2 on General Meetings details in respect of directors, seeking re-appointment at the AGM, is separately annexed hereto. Directors seeking re-appointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.
22. E-VOTING: In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system and poll to members holding shares as on August 07, 2019 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.

**The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on 11th August, 2019 (i.e. 10:00 A.M. IST) and ends on 13th August, 2019. (i.e. 5:00 P.M. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 07<sup>th</sup> August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
<b>PAN</b>	<p>For demat shareholders: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department.</p> <p>For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN field.</p> <ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>



- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant ASTRA MICROWAVE PRODUCTS LIMITED on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Note for Non-Individual Shareholders & Custodians:**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**By order of the Board  
For Astra Microwave Products Limited**

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

Place: Hyderabad  
Date: June 24, 2019



## **Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013**

### **Item No. 4**

Mr. Sunil Kumar Sharma was appointed as an Additional Director of the Company w.e.f. March 22, 2019 by the Board of Directors at their meeting held on March 22, 2019 under Section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the General Meeting to be held immediately after the said appointment.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company proposing candidature of Mr. Sunil Kumar Sharma. The Company has received: i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. Sunil Kumar Sharma to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Sunil Kumar Sharma fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

The Resolution set out at Item No.4 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mr. Sunil Kumar Sharma as an Independent Director.

The terms and conditions of appointment of Mr. Sunil Kumar Sharma shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day till the date of the Annual General Meeting. Further details relating to Mr. Sunil Kumar Sharma including his age, qualifications and other directorships are given in the annexure to this notice.

Except Mr. Sunil Kumar Sharma no other Director on the Board or Manager or the key managerial personnel of the Company or their relatives are in any way concerned or interested financially or otherwise in the above Resolution set out at Item No. 4 of the Notice.

Your Directors recommend the resolution for your approval.

### **Item No. 5**

Ms. Kiran Dhingra was appointed as an Additional Director of the Company w.e.f. June 24, 2019 by the Board of Directors at their meeting held on June 24, 2019 under Section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the General Meeting to be held immediately after the said appointment.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company proposing candidature of Ms. Kiran Dhingra. The Company has received: i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Ms. Kiran Dhingra to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. Kiran Dhingra fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and she is independent of the management.

The Resolution set out at Item No.5 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Ms. Kiran Dhingra as an Independent Director.

The terms and conditions of appointment of Ms. Kiran Dhingra shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day till the date of the Annual General Meeting. Further details relating to Ms. Kiran Dhingra including her age, qualifications and other directorships are given in the annexure to this notice.

Except Ms. Kiran Dhingra no other Director on the Board or Manager or the key managerial personnel of the Company or their relatives are in any way concerned or interested financially or otherwise in the above Resolution set out at Item No. 5 of the Notice.

Your Directors recommend the resolution for your approval.

#### Item No. 6

The Board of Directors at their meeting held on June 24, 2019, based on recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Atim Kabra as an Additional Director on Board of Directors of the Company with effect from June 24, 2019, in terms of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to hold office up to the date of the ensuing Annual General Meeting (AGM) of the Company, subject to approval of shareholders of the Company.

Relevant details relating to Mr. Atim Kabra including his age, qualifications and other directorships are given in the annexure to this notice.

Mr. Atim Kabra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

The Company has received a Notice under Section 160 of the Act from a member, proposing the appointment of Mr. Atim Kabra as a Director of the Company.

In the opinion of the Nomination and Remuneration Committee and Board of Directors of the Company, the appointment of Mr. Atim Kabra on the Board would be beneficial to the overall functioning of the Company, considering his experience in the company and the knowledge of general business management.

The Board of Directors propose the appointment of Mr. Atim Kabra as Non-Executive Director of the Company liable to retire by rotation and recommended the Ordinary Resolution No.6 for approval of shareholders of the Company.

Except Mr. Atim Kabra no other Director on the Board or Manager or the key managerial personnel of the Company or their relatives are in any way concerned or interested financially or otherwise in the above Resolution set out at Item No. 6 of the Notice.

#### Item No. 7

The Non-Executive Directors and the Independent Directors of your company are putting in significant amount of time and efforts in shaping the future of the Company.

The Board is of the view that it is necessary that adequate compensation be given to the Non-Executive Directors and the Independent Directors so as to compensate them for their time and efforts.

The shareholders of the company have at the AGM held on July 31, 2014, accorded their consent for payment of commission on profits to the Non-Executive Directors and the Independent Directors of the company at a rate not exceeding 1 per cent of the net profits of the Company in any financial year (computed in the manner provided in Section 198 of the Companies Act, 2013) plus taxes at an applicable rate for a period of five years with effect from 01.04.2014 to 31.03.2019.

For the next five years i.e., from 01.04.2019 to 31.03.2024, the payment of commission on profits is proposed at rate not exceeding 1 per cent of the net profits of the company in any financial year (computed in the manner provided in Section 198 of the Companies Act, 2013) plus taxes at an applicable rate.

All the Non-Executive Directors and the Independent Directors of the company are concerned or interested financially in the resolution because the resolution relates to payment of commission to self. None of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this item no.7 of the notice.

Your Directors recommend the resolution for your approval.

#### Item No. 8

Pursuant to the amendment made by Securities and Exchange Board of India to Regulation 31A – ‘Conditions for re-classification of any person as promoter/public’ of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) vide notification dated 16<sup>th</sup> November, 2018, permitting re-classification of the status of promoters/persons belonging to the promoter group as ‘public’.

In this regard, the Company received applications from the following promoter group person/entities pursuant to Regulations, 31A of the Listing Regulations, 2015 re-classifying them under the Public Category since their names have been included as a part of the Promoter group.

They are not forming part of immediate relatives as per the definition of Promoter Group as provided in Regulations 2(1)(zb) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Mrs. Bhumi Reddy Lakshmi is sister in law of Mr. B.Malla Reddy, Promoter.

Name of the Shareholders	No. of shares held	% of the paid up capital
K Murali Mohan	826500	0.95
A S S R Reddy	298727	0.34
Lakshmi Reddy Chittep	195450	0.23
Padmavathi Chittep	161780	0.19
Bhumireddy Lakshmi	112500	0.13
Chandrasekara Reddy G	50620	0.06
Subramanyam J	29995	0.03
G Thulasi Devi	200	0.00
Venkatamma Chittep	1672	0.00
Narapu Reddy C V	50	0.00
T.Sitarama Reddy	870000	1.00
<b>Total</b>	<b>2547494</b>	<b>2.93</b>

The aforesaid shareholders are leading their lives and occupations independently and are not connected, directly or indirectly whatsoever with any activity of the Company. Further the other persons/corporate in the Promoter Group of the Company do not have any control over the affairs and decision making process of these above referred shareholders.

The above referred shareholders do not directly or indirectly exercise control, over the affairs of the Company. They are also not holding any post of Key Managerial Personnel in the Company. They also do not have any special rights through formal or informal; arrangements with the company or Promoters or any person/corporate in the Promoter Group. Also the Promoters have no interest in the profession/ business being carried on by these Applicants.

In view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015 the Board of Directors of the Company at their meeting held on May 9, 2019, have approved the applications for reclassification received by the Company as above from Promoter group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchange based on declaration received from the aforesaid persons/entities.

None of the concerned persons/entities, acting individually and in concert, directly or indirectly exercise control over the management and affairs of the Company. Their shareholding along with persons acting in concert does not exceed 2.93 % of the total share capital of the Company.

Post re-classification the remaining members of the existing Promoter and Promoter Group Category of the company will be as follows:

Name of the Shareholders	No of Shares held	% of the paid up capital
B. Malla Reddy	Nil	Nil
P. A. Chitrakar	3216970	3.71
Renuka Chitrakar	2944494	3.40
Prameelamma CH	1485237	1.72
Prasanna Lakshmi .B	875622	1.01
Ramakrishna Reddy Putchalapalli	48165	0.06
<b>Total</b>	<b>8570488</b>	<b>9.90</b>

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on the date of the notice fulfils the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

Your Directors recommend the passing of the Resolution as an Ordinary Resolution

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in this Resolution.

**Item No. 9**

Mr. S.Gurunatha Reddy was re-appointed as the "Whole Time Director & Chief Financial Officer of the Company for a period of five years w.e.f. April 30, 2018.

With the objective of furthering its strategic goals, the Board of Directors of the Company at its meeting held on March 30, 2019 has, on the recommendation of the Nomination and Remuneration Committee, approved the promotion and re-designation of Mr. S.Gurunatha Reddy, as the Managing Director of the company w.e.f. April 1, 2019, for the remainder of his five years term and increase in his remuneration with effect from that date, subject to the approval of the Members.

The terms of appointment of Mr. S.Gurunatha Reddy and remuneration payable to him are as set out in item No.9 of the Notice. For the purpose, an agreement has been entered into by the company with the Managing Director.

The following additional information as required by Schedule V to the Act is given below:

**I. General Information:**

- 1) Nature of Industry: The Company designs, develops and manufactures sub-systems for RF and microwave systems used in defense, space, meteorology and telecommunication.
- 2) Date of expected date of commencement of commercial production: Not applicable, since the Company is an existing company incorporated on September 13, 1991 under the Companies Act, 1956 and had commenced its operations in the year 1991.
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not applicable.
- 4) Financial performance based on given indicators as per audited financial results for the year ended March 31, 2019.

Financial performance Table

Particulars	Rs. In Lakhs	
	2018-19	2017-18
Turnover and Other Income	31,064.99	36,888.56
Net Profit/(Loss) as per Profit & Loss Account	1,253.98	6,069.04
Net Worth	50,295.08	50,167.52

Foreign investments or collaborations, if any – Not applicable.

**II. Information about the appointee:**

- 1) Background details: Mr. S.Gurunatha Reddy is a Graduate in Science & Fellow Member of Institute of Chartered Accountants of India (FCA). He worked in private sector industry and gained over 30 years of experience in accounting, finance, taxation, secretarial etc.
- 2) Past remuneration: His total remuneration for FY 2018-19, including commission payable, was Rs.67,44,518/-.
- 3) Recognition or awards: Nil
- 4) Job profile and his suitability: He has been associated with the Company since last 26 years and the Company has benefited immensely from his wide and varied experience.
- 5) Remuneration proposed: As mentioned in the resolution
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration paid to similar senior level appointee in other companies in the industry.
- 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: Mr. S.Gurunatha Reddy holds 68,938 (0.08 %) equity shares in the company.

**III. Other information:**

- (1) Reasons of loss or inadequate profits: Lumpy nature of business has contributed to drop in sales and profitability for the year.

- (2) Steps taken or proposed to be taken for improvement: Company has bagged good orders and the order book is healthy. The company is expected record positive growth in sales during the coming years.
- (3) Expected increase in productivity and profits in measurable terms: Sales for the year will be in the range of Rs.500 to Rs.550 crores with corresponding improvement in the profitability.

The above terms of remuneration for Mr. S.Gurunatha Reddy were recommended by the Nomination and Remuneration Committee at its meeting held on March 30, 2019.

Mr. S.Gurunatha Reddy satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of Section 196 of the Act for being eligible for his promotion/re-designation. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of promotion and re-designation of Mr. S.Gurunatha Reddy under Section 190 of the Act.

Details of Mr. S.Gurunatha Reddy are provided in “Annexure” to the Notice pursuant to the provisions of (i) the SEBI Listing Regulations; and (ii) Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

Mr.S.Gurunatha Reddy is considered interested in the resolution set out at Item No. 9 of the Notice and his relatives may be deemed to be interested in the resolution, to the extent of their shareholding interest, in the Company.

Save and except the above, none of the other Directors /Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval of the Members.

#### Item No. 10

Mr. M.V. Reddy was re-appointed as the “Whole Time Director designated as Director (Mktg. & Operations) of the Company for a period of five years w.e.f. April 30, 2018.

With the objective of furthering its strategic goals, the Board of Directors of the Company at its meeting held on March 30, 2019 has, on the recommendation of the Nomination and Remuneration Committee, approved the promotion and re-designation of Mr. M.V. Reddy, as the Joint Managing Director of the company w.e.f. April 1, 2019, for the remainder of his five years term and increase in his remuneration with effect from that date, subject to the approval of the Members.

The terms of appointment of Mr. M.V. Reddy and remuneration payable to him are as set out in item No.10 of the Notice. For the purpose, an agreement has been entered into by the company with the Joint Managing Director.

The following additional information as required by Schedule V to the Act is given below:

#### I. General Information:

- 1) Nature of Industry: The Company designs, develops and manufactures sub-systems for RF and microwave systems used in defense, space, meteorology and telecommunication.
- 2) Date of expected date of commencement of commercial production: Not applicable, since the Company is an existing company incorporated on September 13, 1991 under the Companies Act, 1956 and had commenced its operations in the year 1991.
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not applicable.
- 4) Financial performance based on given indicators as per audited financial results for the year ended March 31, 2019.

Financial performance Table

Particulars	Rs. In Lakhs	
	2018-19	2017-18
Turnover and Other Income	31,064.99	36,888.56
Net Profit/(Loss) as per Profit & Loss Account	1,253.98	6,069.04
Net Worth	50,295.08	50,167.52

Foreign investments or collaborations, if any – Not applicable.



## II. Information about the appointee:

- 1) Background details: Mr. M.V.Reddy is a Graduate in Engineering (Electronics) and a Post Graduate in Business Administration; Mr. M.V. Reddy has 28 years of experience in handling Marketing and Business operations in the domain of Defense, Space and Telecom segment in India and Overseas Market.
- 2) Past remuneration: His total remuneration for FY 2018-19, including commission payable, was Rs.55,48,571/-.
- 3) Recognition or awards: Nil
- 4) Job profile and his suitability: He has been associated with the Company since last 21 years and the Company has benefited immensely from his wide and varied experience.
- 5) Remuneration proposed: As mentioned in the resolution
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration paid to similar senior level appointee in other companies in the industry.
- 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any. : Mr. M.V. Reddy holds 53,850 (0.06%) equity shares in the company.

## III. Other information:

- (1) Reasons of loss or inadequate profits: Lumpy nature of business has contributed to drop in sales and profitability for the year.
- (2) Steps taken or proposed to be taken for improvement: Company has bagged good orders and the order book is healthy. The company is expected record positive growth in sales during the coming years.
- (3) Expected increase in productivity and profits in measurable terms: Sales for the year will be in the range of Rs.500 to Rs.550 crores with corresponding improvement in the profitability.

The above terms of remuneration for Mr. M.V. Reddy were recommended by the Nomination and Remuneration Committee at its meeting held on March 30, 2019.

Mr. M.V. Reddy satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of Section 196 of the Act for being eligible for his promotion/re-designation. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of promotion and re-designation of Mr. M.V. Reddy under Section 190 of the Act.

Details of Mr. M.V.Reddy are provided in "Annexure" to the Notice pursuant to the provisions of (i) the SEBI Listing Regulations; and (ii) Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

Mr. M.V. Reddy is considered interested in the resolution set out at Item No. 10 of the Notice and his relatives may be deemed to be interested in the resolution, to the extent of their shareholding interest, in the Company.

Save and except the above, none of the other Directors /Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Special Resolution set out at Item No.10 of the Notice for approval of the Members.

## Item No. 11

At the Board Meeting held on the May 9, 2019, after considering the recommendation of the Audit Committee, the Director have appointed M/s. DZR & Co, as the Cost Auditors of the Company for the year 2019-20 on a remuneration of Rs.1,75,000/- (Rupees One lac seventy five thousand only). Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

Your Directors recommend the resolution for your approval.



## Annexure to the Notice dated June 24, 2019

**Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on August 14, 2019**

**[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]**

S. No.	Particulars	Name of the Director
		Mr. Sunil Kumar Sharma
1	DIN	03614952
2	Date of birth and Age	22 <sup>nd</sup> September, 1956 & 63 Years 9 Months
3	Qualification	B. Tech, MBA
4	Experience and expertise in specific functional areas	<p>Mr. Sunil Kumar Sharma served as Chairman &amp; Managing Director of Bharat Electronics Limited country's largest enterprise in professional and defence electronics, where he was responsible for redefining the company vision for aggressive growth, achieving all time high sales turnover, profitability and a robust order-book. He was instrumental in enhancing R &amp; D capability and established several strategic partnerships with global OEMs for technology acquisitions, resulting in large orders and business growth.</p> <p>He is currently an independent director on the board of a large central public sector company.</p> <p>Born in the year 1956, he is a gold medalist from University College of Engineering, Bangalore and MBA.</p>
5	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Sunil Kumar Sharma is not related to any Directors, Manager and other Key Managerial Personnel of the company
6	Nature of appointment (appointment/re-appointment)	Appointment
7	Terms and Conditions of appointment/re-appointment	Terms and conditions of appointment are as per the resolution at item No.4 of the Notice convening Annual General Meeting on August 14, 2019 read with explanatory statement thereto
8	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	As a Non-Executive Independent Director, he is entitled to sitting fees for attending Board and Committee and Commission as may be approved by the Board of Directors from time to time.
9	Date of first appointment on the Board	22 <sup>nd</sup> March, 2019
10	Shareholding in the company	Nil
11	The number of Meetings of the Board attended during the year	1 out of 1
12	Directorship Details of the Board	1. Power Grid Corporation of India Limited 2. Paras Defence and Space Technologies Limited 3. BEL Multitone Private Limited 4. Smile Electronics Limited

S. No.	Particulars	Name of the Director	
		Ms. Kiran Dhingra	Mr. Atim Kabra
1	DIN	00425602	00003366
2	Date of birth and Age	12 <sup>th</sup> January, 1953 & 66 Years 5 Months	05 <sup>th</sup> September, 1968 & 50 Years 9 Months
3	Qualification	IAS (Retd.)	Economics (Honors), Masters in Management
4	Experience and expertise in specific functional areas	Ms.Kiran Dhingra a retired IAS Officer has 38 years of experience in governance and have held senior positions in decision making capacities in practically all sectors - the developmental, agricultural, social, industrial, infrastructural, transportation, economic and regulatory.	More than 25 years of well rounded "equities exposure" including Portfolio Management, Equity Sales and Equity Research with global institutions like ABN AMRO Bank, ANZ Grindlays Bank etc.
5	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Ms. Kiran Dhingra is not related to any Directors, Manager and other Key Managerial Personnel of the company.	Mr. Atim Kabra is not related to any Directors, Manager and other Key Managerial Personnel of the company.
6	Nature of appointment (appointment/ re-appointment)	Appointment	Appointment
7	Terms and Conditions of appointment/ re-appointment	Terms and conditions of appointment are as per the resolution at item No.5 of the Notice convening Annual General Meeting on August 14, 2019 read with explanatory statement thereto.	Terms and conditions of appointment are as per the resolution at item No.6 of the Notice convening Annual General Meeting on August 14, 2019 read with explanatory statement thereto.
8	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	As a Non-Executive Independent Director, she is entitled to sitting fees for attending Board and Committee and Commission as may be approved by the Board of Directors from time to time.	As a Non-Executive Director, he is entitled to sitting fees for attending Board and Committee and Commission as may be approved by the Board of Directors from time to time.
9	Date of first appointment on the Board	24 <sup>th</sup> June, 2019	24 <sup>th</sup> June, 2019
10	Shareholding in the company	Nil	Holds 33,47,412 equity shares
11	The number of Meetings of the Board attended during the year	N.A	N.A
12	Directorship Details of the Board	1. GOA Carbon Limited 2. Zuari Agro Chemicals Limited 3. Paradeep Phosphates Ltd 4. Indian Register of Shipping	1. Himpushp Agriculture & Allied Services private Limited 2. 2Point2 Capital Advisors LLP

S. No.	Particulars	Name of the Director	
		Mr. S. Gurunatha Reddy	Mr. M. Venkateshwar Reddy
1	DIN	00003828	00421401
2	Date of birth and Age	15 <sup>th</sup> February, 1959 & 60 Years 4 Months	01 <sup>st</sup> May, 1967 & 52 years 1 Month
3	Qualification	B.Sc, FCA	B.E.(Electronics), MBA
4	Experience and expertise in specific functional areas	More than 31 years of experience in accounting, finance, taxation, secretarial etc.	More than 27 years of experience in handling Marketing and Business operations in the domain of Defense, Space and Telecom segment in India and Overseas Market.
5	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. S.Gurunatha Reddy is not related to any Directors, Manager and other Key Managerial Personnel of the company.	Mr. M. Venkateshwar Reddy is not related to any Directors, Manager and other Key Managerial Personnel of the company.
6	Nature of appointment (appointment/ re-appointment)	Promotion and re-designation	Promotion and re-designation
7	Terms and Conditions of appointment/ re-appointment	Terms and conditions of appointment are as per the resolution at item No.9 of the Notice convening Annual General Meeting on August 14, 2019 read with explanatory statement thereto.	Terms and conditions of appointment are as per the resolution at item No. 10 of the Notice convening Annual General Meeting on August 14, 2019 read with explanatory statement thereto
8	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Salary and Commission / Performance Bonus paid to Mr. S. Gurunatha Reddy is given in the Explanatory statement.	Salary and Commission/ Performance Bonus paid to Mr. M.V.Reddy is given in the Explanatory statement.
9	Date of first appointment on the Board	29 <sup>th</sup> April, 2013	29 <sup>th</sup> April, 2013
10	Shareholding in the company	Holds 68,938 equity shares	Holds 53,850 equity shares
11	The number of Meetings of the Board attended during the year	7 out of 7	7 out of 7
12	Directorship Details of the Board	1. Astra Rafael Comsys Private Limited	1. Astra Rafael Comsys Private Limited 2. Astra Foundation

**By order of the Board  
For Astra Microwave Products Limited**

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

Place: Hyderabad  
Date: June 24, 2019

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements including Consolidated Accounts for the financial year ended March 31, 2019.

### FINANCIAL RESULTS

#### A) STANDALONE(IND AS):

The Standalone performance under IND AS for the Financial Year ended March 31, 2019 is as under:

#### The Financial Summary

Rupees in lakhs

Particulars	March 31, 2019 (IND AS)	March 31, 2018 (IND AS)
Total Revenue	31,064.99	36,888.56
Profit before finance cost, depreciation and tax expense	5,427.20	11,788.86
Finance cost	895.81	1,192.40
Profit before depreciation and tax expense	4,531.39	10,596.46
Depreciation	2,856.52	2,702.84
Profit before tax expense	1,674.87	7,893.62
Tax expense	420.89	1,824.58
<b>Net Profit for the year</b>	<b>1,253.98</b>	<b>6,069.04</b>
Other Comprehensive Income	200.44	48.24
Total Comprehensive Income	1,454.42	6,117.28
Retained earnings brought forward from earlier year	34,096.30	30,037.45
<b>Retained earnings available for appropriation</b>	<b>35,476.84</b>	<b>36,154.73</b>
<b>Appropriations:</b>		
Dividend paid (including dividend tax)	1,252.98	1,042.43
Transfer to general reserve	0	600.00
Transfer to Debenture redemption reserve	0	416.00
<b>Surplus in Retained earnings Transferred to Other equity</b>	<b>34,223.86</b>	<b>34,096.30</b>

**B) CONSOLIDATED:**

The Consolidated performance under IND AS for the Financial Year ended March 31, 2019 is as under:

**The Financial Summary**

Particulars	Rupees in lakhs	
	March 31, 2019 (IND AS)	March 31, 2018 (IND AS)
Revenue from operations	29,349.32	37,432.56
Profit before finance cost, depreciation, share of profit of associates, exceptional items and tax expense	5,329.75	11,934.79
Finance cost	926.31	1,219.57
Profit before depreciation, share of profit of associates, exceptional items and tax expense	4,403.44	10,715.22
Depreciation and amortisation	2,890.13	2,740.85
Profit before share of profit of associates, exceptional items and tax expenses	1,513.31	7,974.37
Share of profit of associates	-177.51	0
Profit before exceptional items and tax expenses	1,335.80	7,974.37
Exceptional items	0	0
Profit before tax expense	1,335.80	7,974.37
Tax expense	359.60	1,865.21
Profit after tax expense	976.20	6,109.16
Non-controlling interests	0	-0.16
<b>Profit after tax expense after non-controlling interests</b>	<b>976.20</b>	<b>6,109.00</b>
Other comprehensive Income	203.41	42.22
Total Comprehensive Income	1,179.61	6,151.22
Add: Surplus at the beginning of the year	34,018.59	29,933.13
Less; Adjustment to the surplus at the beginning of the year (IND AS 115 and others)	-59.25	0
<b>Total available for appropriation</b>	<b>35,138.95</b>	<b>36,084.35</b>
<b>Appropriations:</b>		
Dividend including taxes	1,252.98	1,042.44
Transfer to general reserve	0	600
Foreign Exchange Translation	0.41	7.32
Transfer to Debenture Redemption Reserve	0	416
<b>Surplus carried to the Balance Sheet</b>	<b>33,885.56</b>	<b>34,018.59</b>

For detailed analysis of the performance, please refer to management's discussion and analysis section of the annual report.

### State of the Company's Affairs:

During the period under review, the Company has achieved revenue of Rs. 286,15,77,149/- and net profit of Rs.12,53,98,001/- on a standalone basis. During the same period, the Company has achieved revenue of Rs.293,49,31,881/- and net profit of Rs.9,76,20,141/- on a consolidated basis.

### Share Capital

The Paid-up Share capital of the Company as on March 31, 2019 is Rs.17,32,23,350/-divided into 8,66,11,675 equity shares of Rs.2/- each fully paid up.

### Dividend

The Board of Directors of the Company recommend a final dividend @ 12.5% on the paid up Equity Share Capital of the Company i.e., Rs.0.25/- per equity share on face value of Rs.2 each, for the year ended 31<sup>st</sup> March, 2019.

### Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2018-19 in the Retained Earnings.

### Finance

#### Debt:

#### Secured Non-Convertible Debentures

During the year, your company has fully redeemed NCD of Rs.50 crores on due dates. No fresh NCD's were issued during the year.

#### Listing of Equity Shares:

The Company's equity shares are presently listed on the following Stock Exchanges:

- (i) BSE Limited, PhirozeJeeJeebhoy Towers, Dalal Street, Mumbai-400 001; and
- (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2018-19.

### Subsidiary Companies, Associates and Joint Ventures

Pursuant to the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Ventures in Form AOC-1 is annexed to this Board's Report (**Annexure-1**).

### Performance and Contribution of the Subsidiaries

As per Rule 8 of the Companies (Accounts) Rules, 2014, a report on the financial performance of the Subsidiaries, Associates and Joint Ventures along with their contribution to the overall performance of the company during the financial year ended March 31, 2019 is annexed to this Board's Report (**Annexure-1**).

### Consolidated Financial Statements

The Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of the Company including consolidated financial statements and related information of the Company and audited accounts of the subsidiaries, are available on the website of the company.

### Number of Meetings of the Board of Directors

Seven (7) meetings of the Board of Directors were held during the financial year 2018 - 19. The details of the meetings are in the Corporate Governance Report, which forms part of this Annual Report.



## Management Discussion and Analysis

The Management Discussion and Analysis forms an integral part of this Report and provides details about the overall industry structure, developments, performance and state of affairs of the Company and other material developments during the financial year.

### Directors Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of Profit and Loss Account of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts for the financial year ended March 31, 2019 on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently consists of the following Directors namely-Mr. B. Lakshmi Narayana Raju, Chairman, Mr. V.V.R.Sastry, Dr. Avinash Chander and Mr. S.K. Sharma as Members.

#### Brief description of terms of reference:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board.
- c. Devising a policy on Board diversity.
- d. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

### Nomination and Remuneration policy

#### The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The details of the meetings of the Nomination and Remuneration Committee convened during the financial year 2018 - 19 are given in the Corporate Governance Report which forms part of this Annual Report.

## Particulars of Loans, Guarantees or Securities or Investments under Section 186

The particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2018-19 are given in Note 3 and 33 of the Notes to the financial statements.

## Transactions with Related Parties

All transactions entered by the Company with Related Parties during the financial year were in the ordinary course of business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the audit committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2018-19 which were in conflict with the interest of the company. Suitable disclosures as required under Ind AS 24 have been made in Note 30 of the notes to the financial statements.

## Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your company has approved Policy on CSR and the policy is hosted on the website of the Company.

The Board of Directors of the Company have constituted a Corporate Social Responsibility Committee presently consisting of following Directors namely Mr. S. Gurunatha Reddy, Chairman, Mr. M. V. Reddy, and Dr. Avinash Chander as Members.

A report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Board's Report (**Annexure- 2**).

During the Financial year, Corporate Social Responsibility Committee meetings were held on May 27, 2018.

## Attendance at the Corporate Social Responsibility Committee Meetings:

Name of the Director	Category	Number of Meetings	
		Held	Attended
Mrs.C.Prameelamma *	Chairperson	1	1
Mr. S. Gurunatha Reddy \$	Chairperson	--	--
Dr. Shiban K Koul #	Member	1	1
Mr. M.V.Reddy	Member	1	1
Dr. Avinash Chander @	Member	--	--

\* Mrs. C.Prameelamma ceased to be Chairperson w.e.f. March 31, 2019, as she resigned from the Board of the Company.

\$ Mr. S. Gurunatha Reddy was elected as Chairman of Corporate Social Responsibility Committee w.e.f. April 1, 2019.

# Dr.Shiban K Koul ceased as Director of the Company w.e.f. March 31, 2019 due to retirement. Accordingly, he also ceased as a Member of the Corporate Social Responsibility Committee with effect from the said date.

@ Appointed as Member of Corporate Social Responsibility Committee w.e.f. January 30, 2019.

## Astra Foundation

Astra Foundation was established under Section 8 of the Companies Act, 2013 as a Non-Profit Organisation on 9<sup>th</sup> July, 2016, as a subsidiary of the company to grant donations to poor and needy for meeting expenditure of education, welfare, medical treatments and to establish, promote, set-up, run, maintain, assist, finance, support and / or aid in setting up and / or maintaining and /or running school for orphanages, poor houses for relief and help to the poor, old and infirm people and / or destitutes.

The Astra Foundation has spent Rs.19,50,000/- for the period 2018-19.

## Mechanism for Evaluation of Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the performance evaluation of the Board, the Committees of the Board and Individual Directors is done on annual basis.

Evaluation of all Board members is done on an annual basis. The Individual Directors' responses to the questionnaire on the performance of the Board, committee(s), Directors and Chairman, were analyzed by an independent consultant, to arrive at unbiased conclusions.

## Directors and Key Managerial Personnel

### Directors:

Dr. Shiban K Koul, Independent Director ceased as Director of the Company with effect from March 31, 2019 due to retirement. The Board places on record its deep appreciation for the valuable services rendered by him to the Board and the Company during his tenure as Chairman and Independent Director.

During the year under review, Mr. T. Ramachandru IAS, Independent Director resigned from the directorship of the Company with effect from March 22, 2019 owing to personal reasons. The Board places on record its deep appreciation for the valuable services rendered by him to the Board and the Company during his tenure.

Mr. B. Malla Reddy, Mr. P.A. Chitrakar and Mrs. C. Prameelamma, Promoter directors have resigned from the directorship of the Company with effect from March 31, 2019 owing to personal reasons. The Board wishes to place on record its deep appreciation for their valuable contributions, perspective and thought leadership towards overall functioning of the Company during their long tenure. However, they continue as Founder promoters and guide the next generation team.

### Appointment of Dr. Avinash Chander as the Chairman of the Company

The Board of Directors of the Company at their meeting held on January 30, 2019, elected Dr. Avinash Chander, Independent Director as the Chairman of the Company.

The Board of Directors of the Company at their meeting held on March 22, 2019 has appointed Mr. Sunil Kumar Sharma (DIN: 03614952) as an Additional Director (Independent Director) w.e.f March 22, 2019, who holds office upto the ensuing Annual General Meeting. The Board, based on the recommendation of the Nomination and Remuneration Committee considered the appointment of Mr. Sunil Kumar Sharma as an Independent Director subject to the approval of the shareholders. Accordingly, a resolution seeking approval of the members for his appointment as an Independent Director for a period of five years have been incorporated in the Notice of the Annual General Meeting of the Company along with brief details about him.

The Board of Directors of the Company at their meeting held on June 24, 2019 has appointed Ms. Kiran Dhingra (DIN: 00425602) as an Additional Director (Independent Director) w.e.f June 24, 2019, who holds office upto the ensuing Annual General Meeting. The Board, based on the recommendation of the Nomination and Remuneration Committee considered the appointment of Ms. Kiran Dhingra (DIN: 00425602) as an Independent Director subject to the approval of the shareholders. Accordingly, a resolution seeking approval of the members for her appointment as an Independent Director for a period of three years have been incorporated in the Notice of the Annual General Meeting of the Company along with brief details about her.

The Board of Directors of the Company at their meeting held on June 24, 2019 has appointed Mr. Atim Kabra (DIN: 00003366) as an Additional Director (Non-Executive Director) w.e.f June 24, 2019, who holds office upto the ensuing Annual General Meeting. The Board, based on the recommendation of the Nomination and Remuneration Committee considered the appointment of Mr. Atim Kabra (DIN: 00003366) as a Non-Executive Director subject to the approval of the shareholders. Accordingly, a resolution seeking approval of the members for his appointment as a Non-Executive Director have been incorporated in the Notice of the Annual General Meeting of the Company along with brief details about him.

Pursuant to the provisions of the Companies Act, 2013 read with Companies (Qualifications and Appointment of Directors) Rules, 2014, Mr. M. V. Reddy, Director (DIN:00421401) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

Mr. S. Gurunatha Reddy was re-appointed as Whole Time Director & CFO of the Company for a term of five years from 30<sup>th</sup> April, 2018 to 29<sup>th</sup> April, 2023 and Mr. M. V. Reddy was re-appointed as Whole Time Director designated as Director (Mktg. & Operations) of the Company for a term of five years from 30<sup>th</sup> April, 2018 to 29<sup>th</sup> April, 2023.

Considering the services rendered by Mr. S. Gurunatha Reddy and Mr. M.V. Reddy for the growth of the Company, the Board of Directors based on the recommendation and approval of Nomination and Remuneration Committee decided to promote and re-designate them as Managing Director and Joint Managing Director of the Company for the remaining period of their tenure i.e., from 1<sup>st</sup> April, 2019 to 29<sup>th</sup> April, 2023, on the terms and conditions mentioned in the notice convening the 28<sup>th</sup> Annual General Meeting.

Mr. S. Gurunatha Reddy and Mr. M.V. Reddy have given their consent for re-designation and stated that they stand free from disqualification from being reappointed. The Board recommends their re-designations.

The Independent Directors of the company have submitted their declaration of independence, as required pursuant to the Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

### **Changes in Key Managerial Personnel:**

There has been changes in the Key Managerial Personnel during the financial year 2018-19.

Mr. S. Gurunatha Reddy resigned as Chief Financial Officer and has been re-designated as Managing Director of the company w.e.f. March 31, 2019. Mr. B. V. S. Narasinga Rao has appointed as Chief Financial Officer (CFO) of the company w.e.f June 24, 2019.

Pursuant to the provisions of Section 2(51) and 203 of the Act, the Key Managerial Personnel of the company are Mr. S. Gurunatha Reddy, Managing Director, Mr. M.V. Reddy, Joint Managing Director, Mr. T. Anjaneyulu, Dy. G. M- Company Secretary and Mr. B. V. S. Narasinga Rao, CFO.

### **Deposits**

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

### **AUDITORS**

#### **Statutory Auditors**

Price Waterhouse Chartered Accountants LLP, Chartered Accountants ( FRN 012754N/N500016), Statutory Auditors of the company hold office till the conclusion of the 31<sup>st</sup> Annual General Meeting of the company.

The Auditor's report to the shareholders on the standalone and consolidated financial statement for the year ended March 31, 2019 does not contain any qualifications, observations or adverse comment.

#### **Internal Auditors**

The Board of Directors of the Company have appointed M/s. Kirtane & Pandit LLP, Chartered Accountants as Internal Auditors to conduct Internal Audit of the Company for the financial year ended March 31, 2019.

#### **Secretarial Auditor Report**

As per the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors have appointed Mr. L. Dhanamjay Reddy, Practising Company Secretary (C.P.No: 3752) as Secretarial Auditor for auditing the secretarial records maintained by the Company for the financial year 2018- 19.

The Secretarial Auditor's Report is annexed to this Board's Report (**Annexure- 3**).

#### **Cost Auditors**

Pursuant to the provisions of Section 148(3) of the Act, the Board of Directors had appointed M/s. DZR & Co.(FRN: 000173), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended March 31, 2019. The audit is in progress and report will be filed with the Ministry of Corporate Affairs within the prescribed period. A proposal for ratification of remuneration of the Cost Auditors is placed before the shareholders.

#### **Board's response on Auditor's qualification, reservation or adverse remark or disclaimer made**

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report or by the Practising Company Secretary in the Secretarial Audit Report for the year.

During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

### **Audit Committee**

The Audit Committee consists of the following Directors namely Mr. V.V.R.Sastry, Chairman, Mr. B.L.N.Raju, Dr. Avinash Chander, Mr. S.K. Sharma and Mr. S. Gurunatha Reddy as members of the Committee.

All members of the Audit Committee are financially literate and have experience in financial management.

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

The terms and reference of Audit Committee and details of the meetings of the Audit committee held during the financial year 2018 - 19 and the attendance of members are provided in the Corporate Governance Report, which forms part of this Annual Report.

### **Corporate Governance**

The Corporate Governance Report regarding compliance of the conditions of corporate governance by your Company as stipulated in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as part of this Report along with the Certificate on its compliance.

### **Vigil Mechanism / Whistle Blower Policy**

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Board of Directors had approved the policy on Vigil Mechanism / Whistle Blower and the same was hosted on the website of the company. This Policy inter-alia provides a direct access to the Chairman of the Audit committee.

Your company hereby affirms that no Director / Employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The policy of vigil mechanism is available on the Company's website.

### **Prevention of Insider Trading:**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr.T.Anjaneyulu, Dy.G.M - Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code of conduct for prevention of insider trading.

### **Statement of particulars of appointment and remuneration of managerial personnel**

The Statement of particulars of Appointment and Remuneration of Managerial Personnel as per Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Board's Report (**Annexure- 4**).

### **Insurance**

All properties and insurable interests of the Company have been fully insured.

### **Internal Financial Controls**

The company has in place adequate internal financial controls with reference to financial statements. The Company maintains all its records in SAP System and the work flow and approvals are routed through SAP.

### **Names of Companies which have become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies during the year**

Astra Rafael Comsys Pvt Ltd has been a Joint Venture of the Company during the period under review. Astra UBS Technologies Private Limited (Floated for Joint Venture Operations with M/s. UBS, Canada)- closed during the year.

### **Change in the nature of business**

There has been no change in the nature of business of the Company.

### **Material changes and commitments**

There are no Material changes and commitments affecting the financial position of the Company which occurred between the financial year ended March 31, 2019 to which the financial statements relates and the date of signing of this Report.

**Details of Significant and Material orders passed by the regulators or courts or tribunals**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the company.

**Human Resources**

The Industrial relations of the Company continued to be cordial and harmonious during the year under review.

**Policy on Sexual Harassment**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2019, the Company has not received any Complaints pertaining to Sexual Harassment.

**Compliance with Secretarial standards**

The company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

In accordance with the requirements of Section 134 of the Companies Act, 2013, statement showing the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to this Board's Report (**Annexure- 5**).

**Extracts of Annual Return**

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 as on March 31, 2019 is annexed to this Board's Report (**Annexure- 6**).

**Acknowledgments:**

Your Directors express their gratitude to all investors, customers, vendors, banks and regulatory and the State and the Central governmental authorities/ departments for their continued support. The Directors also wish to thank the employees at all levels for their contribution, support and dedicated services throughout the year.

**For and on behalf of the Board of Directors**

Place: Hyderabad  
Date: 24.06.2019

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401



# ANNEXURE - 1 TO THE DIRECTORS REPORT

## FORM NO AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

#### Part-A-Subsidiaries (Amount in Rs.)

S. No.	Name of the Subsidiary Company	The date when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Other Comprehensive Income	Total Comprehensive Income	Extent % of Share-Holding
1	M/s. Bhavyabhanu Electronics Pvt. Ltd.	03.09.2013	NA	NA	17,60,000	2,83,90,943	16,03,88,655	16,03,88,655	-	10,84,17,730	(1,96,18,039)	61,28,430	(1,34,89,609)	-	2,55,260	(1,32,34,349)	99.9989%
2	M/s. Aelius Semiconductors Pte.Ltd.	08.04.2015	NA	SGD 51.22	5,52,41,674	(2,53,40,826)	395,43,397	3,96,43,397	-	2,73,80,346	33,99,779	-	33,99,779	-	41,404	34,41,183	100%
3	M/s. Astra Foundation	09.07.2016	NA	NA	1,00,000	69,460	2,02,860	2,02,860	-	19,50,000	63,029	-	63,029	-	-	63,029	99.9%

**Notes:** The Following Information shall be furnished at the end of the statement.

1. Names of Subsidiaries which are yet to commence operations:

S. No	Name of the Company	Address
	NIL	

2. Names of Subsidiaries or joint ventures which have been liquidated or sold during the year:

S. No	Name of the Company	Address
	NIL	

**Part - B Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013**  
**related to Associate Companies and Joint Venture**

Name of Associate/Joint Ventures	M/s. Astra Rafael Comsys Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.03.2019
2. Date on which the Joint Venture was associated or acquired	18.06.2018
3. Shares of Joint Venture held by the company on the year end	
No. of Shares	1,62,50,000
Amount of Investment in Joint Ventures	Rs.16,25,00,000
Extent of Holding (in percentage)	50%
4. Description of how there is significant influence	Since the Investment is 50% in Joint Venture Company, there is a significant influence
5. Reason why the Joint Venture is not consolidated	Consolidated
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs.15,93,99,515
7. Profit or (Loss) of the year	Rs.(60,16,054)
i. Considered in Consolidation	Rs.(30,08,027)
ii. Not Considered in Consolidation	Rs.(30,08,027)

1. Names of Associates or Joint Ventures which are yet to commence operations:

S. No	Name of the Company	Address
1	NIL	

2. Names of Associates or Joint Ventures which have been liquidated or sold during the year:

S. No	Name of the Company	Address
1	NIL	

**For and on behalf of the Board of Directors**

Place: Hyderabad  
Date: June 24, 2019

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

## ANNEXURE – 2 TO THE DIRECTORS REPORT

### Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes
  - The CSR Committee decided to spend amount under promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
  - Providing preventive health care.
  - Setting up of homes for Orphans.
  - Contributions or Funds provided to Technology Incubators within academic institutions which are approved by the Central Govt.
  - Contribution to Section 8 Company.
  - web link: [www.astramwp.com](http://www.astramwp.com)

2. Composition of CSR Committee:

S. No.	Name of the Director	Category
1	Mrs.C.Prameelamma *	Chairperson
2	Mr. S. Gurunatha Reddy \$	Chairperson
3	Dr. Shiban K Koul #	Member
4	Mr.M.V.Reddy	Member
5	Dr. Avinash Chander @	Member

\* Mrs. C.Prameelamma ceased to be Chairperson w.e.f. March 31, 2019, as she resigned from the Board of the Company.

\$ Mr. S. Gurunatha Reddy was elected as Chairman of Corporate Social Responsibility Committee w.e.f. April 1, 2019.

# Dr.Shiban K Koul ceased as Director of the Company w.e.f. March 31, 2019 due to retirement. Accordingly, he also ceased as a Member of the Corporate Social Responsibility Committee with effect from the said date.

@ Appointed as Member of Corporate Social Responsibility Committee w.e.f. January 30, 2019.

3. Average Net profit for last three Financial Years:

Net Profit	For the Financial Year ended 31st March (Amount Rs.)		
	2015-16	2016-17	2017-18
	72,76,81,838	70,14,41,915	80,66,89,193
Average Net Profit for the preceding three financial years	Rs. 74,52,70,982/-		

4. Prescribed CSR expenditure (2% of Average Net Profit): **Rs.1,49,05,420/-**
5. Details of CSR spend for the financial year:
  - a. Total amount spent for the financial year: **Rs.1,50,08,729/-**
  - b. Amount unspent, if any: **Nil**

**(c) Manner in which the amount spent during the financial year is detailed below:****Rs.in Lakhs**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is Covered	Projects or programs 1) local area or other 2) Specify the State and District where Projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs 2) Overheads:	Cumulative Expenditure upto the reporting Period	Amount spent: Director or through implementing Agency.
1	Promoting Education- Construction of school Building- Additional works, and Education to poor and orphan children	Education	<b>Local Area:</b> Telangana / Hyderabad / Rangareddy  <b>Other Area:</b> Overheads	16.00  ---	16.00  ---	22.11	Through Implementing Agency
2	Contribution to Astra Foundation (Section 8 Company)	Education, Health Care	<b>Local Area:</b> Telangana/ Hyderabad	19.50	19.50	41.61	Through Implementing Agency
3	Contribution to Technology Incubators at IIT Hyderabad for New Technologies	Technology Incubators-	<b>Local Area:</b> Telangana / Hyderabad	40.48	40.48	82.09	Through Implementing Agency
4	Construction of Building for Promoting Healthcare and providing nutrition food and health care for less privileged children	Promoting Health Care including preventive healthcare	<b>Local Area:</b> Telangana/ Hyderabad	70.00	68.00	150.09	Through implementing Agency
			<b>TOTAL</b>		<b>150.09</b>		

6. The Company has spent two percent of average net profits of the last three financial years.
7. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board of Directors**

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: June 24, 2019

## ANNEXURE – 3 TO THE DIRECTORS' REPORT

### Secretarial Audit Report

For the Period from 01.04.2018 to 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (LODR) Regulations, 2015]

To

The Board of Directors

**M/s. Astra Microwave Products Limited**

Address: Astra Towers, Survey No: 12 (Part)

Opp. CII Green Building, Hitech City, Kondapur

Hyderabad, Telangana.

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Astra Microwave Products Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
    - a. The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - b. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c. The SEBI (Prohibition of Insider Trading) Regulations, 2015
    - d. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the company during audit period.
    - e. The SEBI (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the audit period.
    - f. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 -
    - g. The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
    - h. The SEBI (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company during the audit period.
    - i. The SEBI (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period.

- vi. The Payment of Wages Act, 1936
- vii. Minimum Wages Act, 1948
- viii. Employees Provident Fund And Misc. Provisions Act, 1952
- ix. Employees State Insurance Act, 1948
- x. Payment of Gratuity Act, 1972
- xi. Workmen's Compensation Act, 1923
- xii. The Payment of Bonus Act, 1965
- xiii. Contract Labour (Regulation & Abolition ) Act, 1970
- xiv. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xv. Income Tax Act, 1961
- xvi. Goods and Services Tax Laws
- xvii. The Insurance Act, 1938 [as amended by insurance (amendment) act, 2002]
- xviii. The Factories Act, 1948 and rules made thereunder.
- xix. Water (Prevention & Control of Pollution) Act 1974 and rules there under.
- xx. Air (Prevention & Control of Pollution) Act 1981 and rules there under.
- xxi. The Environment (Protection) Act, 1986
- xxii. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- xxiii. Customs Act, 1962
- xxiv. The Boilers Act, 1923 and Indian Boilers Regulations
- xxv. The Petroleum Act, 1934 and Petroleum Rules, 2002
- xxvi. HMC Act, 1955

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

2. We further report that the company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs from time to time and the Memorandum and Articles of Association of the Company, with regard to:
  - Closure of the Register of Members.
  - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - Service of documents by the Company to its Members, Auditors and the Registrar of Companies;
  - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes during the year in composition of Board.
  - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;



- Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditors.
- Declaration and payment of dividends;
- Borrowings and registration, modification and satisfaction of charges wherever applicable;
- Investment of the Company's funds including investments and loans to others;
- Format of balance sheet and statement of profit and loss is as per Schedule III of Companies Act, 2013 read with Companies (Indian Accounting Standard (Ind AS) Rules 2015;
- Report of the Board of Directors as per sec 134 of the Companies Act, 2013;
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct for Directors and Management Personnel;

3. We further report that:

- The Company has complied with the requirements under the equity listing agreements entered into with BSE Limited, National Stock Exchange of India Limited;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding;
- There was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

4. We Further Report That:

- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936.
- The Company is paying bonus to all employees as per the provisions of The Payment of Bonus Act, 1965 and all returns are filed in Required Forms as per the Act;
- The Company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972.
- The Company is regular in paying all statutory dues like PF, ESI, GST, etc.
- The Company is regular in publishing Audited and Unaudited Financial Result.
- The Company has filed return as per The Factories Act, 1948.
- The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948
- The Company has filed return under Employment Exchange Act/Rules
- The Company has renewed the Policy with LIC for Gratuity under Payment of Gratuity Act, 1972
- The Company Website is well acquainted with all statutory required information.

5. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

6. We further Report that during the audit period the Company has:

- No Public /Right/Preferential Issue of Shares/Debentures/Sweat Equity etc.,
- No Redemption/Buy-back of Securities;
- No major Decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
- No Merger/Amalgamation/Reconstruction, etc.,
- No Foreign Technical Collaborations;

**For L. D. Reddy & Co.,**  
Company Secretaries

**L. Dhanamjay Reddy**  
(Proprietor)  
M. No. 13104  
CP. No.3752

Place: Hyderabad  
Date: 24.06.2019

Note: our report should be read with the annexure enclosed.

**ANNEXURE**

To  
The Board of Directors  
M/s Astra Microwave Products Limited  
Address: Astra Towers, Survey No: 12 (Part)  
Opp. CII Green Building, Hitech City, Kondapur  
Hyderabad, Telangana.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records on our audit.
2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the information and relevant documents including representation given by the management about the compliance of laws, rules and regulation and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the company efficiency of effectiveness with which the management has conducted the affairs of the company.

**For L. D. Reddy & Co.,**  
Company Secretaries

**L. Dhanamjay Reddy**  
(Proprietor)  
M. No. 13104  
CP. No.3752

Place: Hyderabad  
Date: 24.06.2019

## ANNEXURE – 4 (i) TO THE DIRECTORS' REPORT

Statement of particulars as per Rule 5 of Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Dr. Shibban K Koul (Chairman) Independent Director <sup>1</sup>	0.90:1
2	Mr. B.Malla Reddy (Managing Director) <sup>2</sup>	23.73:1
3	Mr. P.A.Chitrakar (COO) <sup>3</sup>	17.55:1
4	Mrs. C.Prameelamma [Director (Technical)] <sup>4</sup>	20.09:1
5	Mr. S.Gurunatha Reddy (Managing Director) <sup>5</sup>	13.68:1
6	Mr. M.V. Reddy (Joint Managing Director) <sup>6</sup>	11.25:1
7	Mr.T.Ramachandru, IAS (Independent Director) <sup>7</sup>	0.86:1
8	Mr.V.Venkata Rama Sastry (Independent Director)	0.90:1
9	Mr.B.Lakshmi Narayana Raju (Independent Director)	0.87:1
10	Dr. Avinash Chander (Chairman & Independent Director) <sup>8</sup>	0.90:1
11	Mr. Sunil Kumar Sharma (Additional Director & Independent Director) <sup>9</sup>	0.04:1

### Notes:

- Dr. Shibban K Koul ceased as Director & Chairman of the Company w.e.f. March 31, 2019 due to Retirement.
- Mr. B.Malla Reddy resigned as Director & Managing Director of the Company w.e.f. March 31, 2019.
- Mr. P.A.Chitrakar resigned as Director & Whole time Director designated as Chief Operating Officer of the Company w.e.f. March 31, 2019.
- Mrs. C.Prameelamma resigned as Director & Whole time Director designated as Director (Technical) of the Company w.e.f. March 31, 2019.
- Mr. S.Gurunatha Reddy resigned as CFO w.e.f. March 31, 2019 and has been re-designated from Whole Time Director & CFO to Managing Director of the Company, w.e.f 1<sup>st</sup> April, 2019.
- Mr. M.V.Reddy has been re-designated from Whole Time Director designated as Director (Mktg. & Operations) to Joint Managing Director of the Company, w.e.f 1<sup>st</sup> April, 2019,
- Mr. T.Ramachandru, IAS resigned as Director of the Company w.e.f. March 22, 2019.
- Dr. Avinash Chander was appointed as Chairman of the Company w.e.f. April 1, 2019.
- Mr. Sunil Kumar Sharma was appointed as an Additional Director (Independent Director) of the Company w.e.f. March 22, 2019. Hence Comparable figures are not available due to first time payment.

- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year**

S. No.	Name of the Director	Percentage Increase in Remuneration
1	Dr. Shibban K Koul (Chairman) Independent Director <sup>1</sup>	-58.60
2	Mr. B.Malla Reddy (Managing Director) <sup>2</sup>	-5.87
3	Mr. P.A.Chitrakar (COO) <sup>3</sup>	-29.94
4	Mrs. C.Prameelamma [Director (Technical)] <sup>4</sup>	-20.15
5	Mr. S.Gurunatha Reddy (Managing Director) <sup>5</sup>	-23.50
6	Mr. M.V. Reddy (Joint Managing Director) <sup>6</sup>	-39.97
7	Mr.T.Ramachandru, IAS (Independent Director) <sup>7</sup>	-59.90
8	Mr.V.Venkata Rama Sastry (Independent Director)	-58.60
9	Mr.B.Lakshmi Narayana Raju (Independent Director)	-60.00
10	Dr. Avinash Chander (Chairman & Independent Director) <sup>8</sup>	106.97
11	Mr. Sunil Kumar Sharma (Additional Director & Independent Director) <sup>9</sup>	---
12	Mr. T. Anjaneyulu (Company Secretary)	4.65

Note: Please refer explanation as mentioned in table (i) above for notes 1 to 9.

- (iii) **The percentage increase in the median remuneration of employees in the financial year.**

8%

- (iv) **The number of permanent employees on the rolls of Company.**

There are 958 permanent employees on the rolls of the Company.

- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

There are five Whole Time Directors in the company. There was a decrease in Remuneration paid to the Whole Time Directors during the Financial Year ended 31st March, 2019.

- (vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

**For and on behalf of the Board of Directors**

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: June 24, 2019

**ANNEXURE - 4 (ii) TO THE DIRECTORS REPORT**  
**Statement of particulars of Employees pursuant of provisions of Rule 5(2) of Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

S. No.	Name & Designation	Remuneration Received (Rs.)	Nature of Employment	Qualification (s) and experience of the employee	Date of Commencement in employment	Age	Particulars of last employment	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1	Mr.B.Malla Reddy <sup>1</sup> Managing Director	1,16,97,932	Contractual	M.E (Automation) & 48 years	13.09.1991	71	Head (R&D) OMC Computers Ltd	N.A	N.A
2	Mrs.C.Prameelamma <sup>2</sup> Director (Technical)	99,05,542	Contractual	M.E (Instrumentation & Control Systems) & 46 years	13.09.1991	70	Scientist "C" DRDO Labs, Hyderabad	N.A	N.A
3	Mr.P.A.Chitrakar <sup>3</sup> Chief Operating Officer	86,51,314	Contractual	M. Tec (Advanced Electronics) & 46 years	01.09.1994	68	Scientist 'E' Defense Electronics Research Laboratory, Hyderabad	N.A	N.A
4	Mr.S.Gurunatha Reddy <sup>4</sup> Managing Director	67,44,518	Contractual	B.Sc, FCA & 31 years	25.04.1993	60	Accounts Manager in Era Software Systems Limited	N.A	N.A
5	Mr.M.V.Reddy <sup>5</sup> Joint Managing Director	55,48,571	Contractual	B.E (Electronics), MBA & 27 years	23.02.1998	52	Deputy Manager in ARM Limited	N.A	N.A

**Notes:**

1. Mr. B.Malla Reddy resigned as Director & Managing Director of the Company w.e.f. March 31, 2019.
2. Mr. P.A.Chitrakar resigned as Director & Whole time Director designated as Chief Operating Officer of the Company w.e.f. March 31, 2019.
3. Mrs. C.Prameelamma resigned as Director & Whole time Director designated as Director (Technical) of the Company w.e.f. March 31, 2019.
4. Mr. S.Gurunatha Reddy resigned as CFO w.e.f. March 31, 2019 and has been re-designated from Whole Time Director & CFO to Managing Director of the Company, w.e.f 1<sup>st</sup> April, 2019.
5. Mr. M.V.Reddy has been re-designated from Whole Time Director designated as Director (Mktg. & Operations) to Joint Managing Director of the Company, w.e.f 1st April, 2019.

**For and on behalf of the Board of Directors**

**S. Gurunatha Reddy**      **M.V. Reddy**  
Managing Director      Joint Managing Director  
DIN: 00003828      DIN: 00421401

Place: Hyderabad  
Date: June 24, 2019



## ANNEXURE – 4 (iii) TO THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013  
READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

List of Top 10 salaried employees for the financial year ended March 31, 2019

S.No.	Name & Designation	Remuneration received during the period from April 1, 2018 to March 31, 2019	Nature of Employment	Qualification (s) And experience of the employee	Date of Commencement in employment	Age	The last employment held before joining the Company	Whether is a relative of any director or manager of the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5
1	Mr.B.Mallia Reddy <sup>1</sup> Managing Director	1,16,97,932	Regular	M.E (Automation)	13.09.1991	71	Head (R&D) OMC Computers Ltd	N.A	N.A
2	Mrs.C.Prameelamma <sup>2</sup> Director (Technical)	99,05,542	Regular	M.E (Instrumentation & Control Systems)	13.09.1991	70	Scientist 'C' DRDO Labs, Hyderabad	N.A	N.A
3	Mr.P.A.Chitrakar <sup>3</sup> Chief Operating Officer	86,51,314	Regular	M. Tec (Advanced Electronics)	01.09.1994	68	Scientist 'E' Defense Electronics Research Laboratory, Hyderabad	N.A	N.A
4	Mr.S.Gurunatha Reddy <sup>4</sup> Managing Director	67,44,518	Regular	B.SC, FCA	25.04.1993	60	Accounts Manager in Era Software Systems Limited	N.A	N.A
5	Mr.M.V.Reddy <sup>5</sup> Joint Managing Director	55,48,571	Regular	B.E (Electronics), MBA	23.02.1998	52	Deputy Manager in ARM Limited	N.A	N.A
6	Mr. Pravlin Mandrupkar Sr. General Manager	33,94,068	Regular	B.E	04-08-2001	48	Akon Electronics India (P) Ltd.	N.A	N.A
7	Mr. G. R. Shinde Sr. General Manager	33,94,236	Regular	B.E	01-12-2007	55	Avantel Softech Ltd	N.A	N.A
8	Mr. C. Nageshwar Rao Sr. General Manager	33,62,592	Regular	M.E	12-09-2012	67	BEL	N.A	N.A
9	Mr. A. Srikanth Reddy General Manager	40,82,220	Regular	MBA	06-08-2014	41	Hittite Microwave India Pvt. Ltd	N.A	N.A
10	Mr. P. Srinivasulu General Manager	34,62,000	Regular	Ph.D	07-12-2015	52	NARL	N.A	N.A

Note: Please refer explanation as mentioned in annexure - 4 (ii) above for notes 1 to 5.

## For and on behalf of the Board of Directors

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: June 24, 2019

## ANNEXURE - 5 TO THE DIRECTORS REPORT

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

### 1. Details of Conservation of Energy

The operation of the company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.

### 2. Research & Development (R&D)

The Company's Research and Development center is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India in the year 1994.

During the year, the R&D wing of the Company has developed innovative designs useful for manufacture of cost effective products. The research and development activities of the Company are customer need based and hence it is a continuous process. Because of its in-house R&D efforts, the Company was able to deliver the solutions to the customers in cost effective manner.

The Company has spent the following amounts for R&D during the year.

Amount in Rupees

Particulars	As of March 31	
	2019	2018
A. Capital	0	19,76,90,115
B. Recurring	17,45,62,507	23,89,82,260
Total	17,45,62,507	43,66,72,375
Total R&D expenditure as percentage of total turnover	5.25%	9.92%

### 3. Technology Absorption, Adoption and Innovation

The Company works on in-house technology.

### 4. Particulars of foreign exchange earnings and outgo:

Foreign Exchange outgo and earnings

Amount in Rupees

Particulars	2018-19	2017-18
Foreign Exchange outgo	113,62,97,723	82,89,14,649
Foreign Exchange Earnings	50,56,38,659	25,08,17,984

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: June 24, 2019

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

**ANNEXURE - 6 TO THE DIRECTORS REPORT****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on March 31, 2019****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014****I REGISTRATION & OTHER DETAILS:**

i	CIN	L29309TG1991PLC013203
ii	Registration Date	13th September 1991
iii	Name of the Company	Astra Microwave Products Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Public Company
v	Address of the Registered office & contact details	ASTRA TOWERS, Survey No:12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana-500 038, India. Tel: +91-40-46618000, 46618001, Fax: +91-40-46618048, Email: info@astramp.com ; web: www.astramp.com
vi	Whether listed company	Yes BSE Limited National Stock Exchange of India Limited
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Pvt Ltd Shiv Shakti Industrial Estate, Unit No.9, Ground Floor, 7 B J R Boricha Marg, Lower Parel, Mumbai-400011 tel:91-022-23016761 Email Id:busicomp@gmail.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY****All the business activities contributing 10% or more of the total turnover of the company shall be stated**

S. No	Name & Description of main products/ services	NIC Code of the Product /service *	% to total turnover of the company
1	To carry on the Business to manufacture, produce, assemble, repaire, maintain, import, export, buy, sell or otherwise deal in all kinds of electronic items and components including all kinds of filters, power dividers, directional couplers amplifiers, circulators, isolators, power Combiners, Antennae, Sources, Voltage controlled Oscillators, Terminations, Loads etc. Systems and subsystems, Very High Frequency (VHF) Ultra High Frequency (UHF) and Microwave bands for all kinds of applications.	3652	100%

\*As per NIC Code 2008.

### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	<b>BHAVYABHANU ELECTRONICS PRIVATE LIMITED</b> Add: West Block, G.Floor, Plot No.18 to 21, Imarath Kancha, Hardware Park, Raviryal (V), Maheshwaram Mandal-500005	U32209TG2013PTC089834	Subsidiary	100	Section 2(87)
2	<b>AELIUS SEMICONDUCTORS PTE. LTD.</b> Add: 141 Middle Road, # 06-07A, GSM Building, Singapore - 188976	Not Applicable	Subsidiary	100	Section 2(87)
3	<b>ASTRA FOUNDATION</b> Add: 2nd Floor, Astra Towers, Survey No: 12(Part), Opp: CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana, India - 500038	U80904TG2016NPL110782	Subsidiary	100	Section 2(87)
4	<b>ASTRA RAFAEL COMSYS PRIVATE LIMITED</b> Add: 2nd Floor, Astra Towers, Survey No: 12(part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana, India – 500038.	U32204TG2015PTC101161	Associate	50	Section 2(6)

#### IV (i). SHAREHOLDING PATTERN (Equity Share Capital Break up as % to Total Equity)

##### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER AND PROMOTER GROUP</b>									
<b>(1) Indian</b>									
(a) Individuals/ HUF	10483448	0	10483448	12.11	10301398	0	10301398	11.90	-0.21
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	0	0	0	0	0	0	0	0	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other.....									
<b>Sub Total (A)(1):</b>	<b>10483448</b>	<b>0</b>	<b>10483448</b>	<b>12.11</b>	<b>10301398</b>	<b>0</b>	<b>10301398</b>	<b>11.90</b>	<b>-0.21</b>
<b>(2) Foreign</b>									
(a) NRI Individuals	870000	0	870000	1.00	870000	0	870000	1.00	0.00
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other.....	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2):</b>	<b>870000</b>	<b>0</b>	<b>870000</b>	<b>1.00</b>	<b>870000</b>	<b>0</b>	<b>870000</b>	<b>1.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>11353448</b>	<b>0</b>	<b>11353448</b>	<b>13.11</b>	<b>11171398</b>	<b>0</b>	<b>11171398</b>	<b>12.90</b>	<b>-0.21</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	19942629	0	19942629	23.03	7401598	0	7401598	8.55	-14.48
(b) Banks FI	313	0	313	0.00	0	0	0	0	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govet(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIs	927968	0	927968	1.07	1276404	0	1276404	1.47	0.40
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
Financial Institutions	31083	0	31083	0.04	78199	0	78199	0.09	0.05
Private Sector Banks	29561	0	29561	0.03	62253	0	62253	0.07	0.04
<b>Sub-Total (B)(1):</b>	<b>20931554</b>	<b>0</b>	<b>20931554</b>	<b>24.17</b>	<b>8818454</b>	<b>0</b>	<b>8818454</b>	<b>10.18</b>	<b>-13.99</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
<b>(a) Bodies Corp.</b>									
(i) Indian	13752188	57750	13809938	15.94	18728605	41500	18770105	21.67	5.73
(ii) Overseas	0	0	0	0	0	0	0	0	0
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	20391956	490343	20882299	24.11	20477828	356836	20834664	24.06	-0.05
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4368522	235248	4603770	5.32	7251111	156000	7407111	8.55	3.24
<b>(c) Others (specify)</b>									
* IEPF	379440	0	379440	0.44	583865	0	583865	0.67	0.24
* LLP	73801	0	73801	0.09	195681	0	195681	0.23	0.14
* ALTERNATE INVESTMENT FUND	2404264	0	2404264	2.78	4101300	0	4101300	4.74	1.96
* N.R.I.	5601027	0	5601027	6.47	5286527	0	5286527	6.10	-0.36
* FOREIGN CORPORATE BODIES	1728631	0	1728631	2.00	1672097	0	1672097	1.93	-0.07
* TRUST	1662914	0	1662914	1.92	714	0	714	0.00	-1.92
* HINDU UNDIVIDED FAMILY	1155327	0	1155327	1.33	2128805	0	2128805	2.46	1.12
* CLEARING MEMBERS	2025262	0	2025262	2.34	5640954	0	5640954	6.51	4.17
<b>Sub-total (B)(2):</b>	<b>53543332</b>	<b>783341</b>	<b>54326673</b>	<b>62.72</b>	<b>66067487</b>	<b>554336</b>	<b>66621823</b>	<b>76.92</b>	<b>14.20</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>74474886</b>	<b>783341</b>	<b>75258227</b>	<b>86.89</b>	<b>74885941</b>	<b>554336</b>	<b>75440277</b>	<b>87.10</b>	<b>0.21</b>
<b>C. NON PROMOTER- NON PUBLIC SHAREHOLDER</b>									
Custodian/DR Holder - Name of DR Holders (If Available)	0	0	0	0.00	0	0	0	0.00	0.00
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A + B + C)</b>	<b>85828334</b>	<b>783341</b>	<b>86611675</b>	<b>100</b>	<b>86057339</b>	<b>554336</b>	<b>86611675</b>	<b>100.00</b>	<b>0.00</b>



## IV (ii) SHAREHOLDING OF PROMOTERS

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares pledged encumbered to total shares
1	B. MALLA REDDY *	0.00	0.00	0.00	0.00	0.00	0.00
2	P A CHITRAKAR	3157270	3.65	0.00	3216970	3.71	0.00
3	RENUKA CHITRAKAR	2944494	3.40	0.00	2944494	3.40	0.00
4	PRAMEELAMMA CH	1683643	1.94	0.00	1532643	1.77	0.00
5	PRASANNA LAKSHMI BUMIREDDY	875622	1.01	0.00	875622	1.01	0.00
6	T.SITARAMA REDDY .	870000	1.00	0.00	870000	1.00	0.00
7	KALLURI MURALI MOHAN	826500	0.95	0.00	826500	0.95	0.00
8	A S S R REDDY .	298727	0.34	0.00	298727	0.34	0.00
9	LAKSHMI REDDY CHITTEPU . .	205450	0.24	0.00	195450	0.23	0.00
10	PADMAVATHI CHITTEPU . .	161780	0.19	0.00	161780	0.19	0.00
11	BHUMIREDDY LAKSHMI	112500	0.13	0.00	112500	0.13	0.00
12	PRATHAP REDDY C .	70750	0.08	0.00	0.00	0.00	-0.08
13	P RAMAKRISHNA REDDY	52175	0.06	0.00	52175	0.06	0.00
14	CHANDRASEKARA REDDY G	50620	0.06	0.00	50620	0.06	0.00
15	SUBRAMANYAM J	29995	0.03	0.00	29995	0.03	0.00
16	G THULASI DEVI	12200	0.01	0.00	2200	0.00	-0.01
17	VENKATAMMA CHITTEPU . .	1672	0.00	0.00	1672	0.00	0.00
18	NARAPU REDDY C V .	50	0.00	0.00	50	0.00	0.00
	<b>Total</b>	<b>11353448</b>	<b>13.11</b>	<b>0.00</b>	<b>11171398</b>	<b>12.90</b>	<b>0.00</b>

\* He is holding 10,235 shares as on 31st March, 2019, which are under collateral.

## IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING (Please specify, if there is no changes)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
<b>1</b>	<b>B MALLA REDDY *</b>					
	At the beginning of the year	<b>470526</b>	<b>0.54</b>			Collateral
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	07-06-2018	-107000	-0.12	363526	0.42	Collateral
	12-07-2018	-200000	-0.23	163526	0.19	Collateral
	02-11-2018	-50000	-0.06	113526	0.13	Collateral
	15-11-2018	-20000	-0.02	93526	0.11	Collateral
	28-11-2018	-50000	-0.06	43526	0.05	Collateral
	14-12-2018	-3190	0.00	40336	0.05	Collateral
	21-12-2018	-7687	-0.01	32649	0.04	Collateral
	26-12-2018	-12414	-0.01	20235	0.03	Collateral
	16-01-2019	-10000	-0.01	10235	0.01	Collateral
	At the end of the year			<b>10235</b>	<b>0.01</b>	
	* He is holding 10235 shares as on 31st March, 2019, which are under collateral.					
<b>2</b>	<b>P A CHITRAKAR</b>					
	At the beginning of the year	<b>3157270</b>	<b>3.65</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	27-04-2018	20000	0.02	3177270	3.67	Buy
	08-03-2019	13500	0.02	3190770	3.68	Buy
	15-03-2019	26200	0.03	3216970	3.71	Buy
	At the end of the year			<b>3216970</b>	<b>3.71</b>	
<b>3</b>	<b>RENUKA CHITRAKAR</b>					
	At the beginning of the year	<b>2944494</b>	<b>3.40</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>2944494</b>	<b>3.40</b>	
<b>4</b>	<b>PRAMEELAMMA CH</b>					
	At the beginning of the year	<b>1683643</b>	<b>1.94</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	30-11-2018	-100000	-0.12	1583643	1.83	Sell
	04-01-2019	-41000	-0.05	1542643	1.78	Sell
	11-01-2019	-10000	-0.01	1532643	1.77	Sell
	At the end of the year			<b>1532643</b>	<b>1.77</b>	

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
<b>5</b>	<b>PRASANNA LAKSHMI .B</b>					
	At the beginning of the year	<b>875622</b>	<b>1.01</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>875622</b>	<b>1.01</b>	
<b>6</b>	<b>T.SITARAMA REDDY</b>					
	At the beginning of the year	<b>870000</b>	<b>1.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>870000</b>	<b>1.00</b>	
<b>7</b>	<b>K MURALI MOHAN</b>					
	At the beginning of the year	<b>826500</b>	<b>0.95</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>826500</b>	<b>0.95</b>	
<b>8</b>	<b>A S S R REDDY</b>					
	At the beginning of the year	<b>298727</b>	<b>0.34</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>298727</b>	<b>0.34</b>	
<b>9</b>	<b>LAKSHMI REDDY CHITTEPU</b>					
	At the beginning of the year	<b>205450</b>	<b>0.24</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	21-12-2018	-10000	-0.01	195450	0.23	Sell
	At the end of the year			<b>195450</b>	<b>0.23</b>	
<b>10</b>	<b>PADMAVATHI CHITTEPU</b>					
	At the beginning of the year	<b>161780</b>	<b>0.19</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>161780</b>	<b>0.19</b>	

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
<b>11</b>	<b>BHUMIREDDY LAKSHMI</b>					
	At the beginning of the year	<b>112500</b>	<b>0.13</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>112500</b>	<b>0.13</b>	
<b>12</b>	<b>PRATHAP REDDY C .</b>					
	At the beginning of the year	<b>70750</b>	<b>0.08</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	21-12-2018	-30000	-0.03	40750	0.05	Sell
	04-01-2019	-17095	-0.02	23655	0.03	Sell
	11-01-2019	-5000	-0.01	18655	0.02	Sell
	18-01-2019	-9128	-0.01	9527	0.01	Sell
	01-03-2019	-9527	-0.01	0	0.00	Sell
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>13</b>	<b>RAMAKRISHNA REDDY PUTCHALAPALLI</b>					
	At the beginning of the year	<b>52175</b>	<b>0.06</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>52175</b>	<b>0.06</b>	
<b>14</b>	<b>CHANDRASEKARA REDDY G</b>					
	At the beginning of the year	<b>50620</b>	<b>0.06</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>50620</b>	<b>0.06</b>	
<b>15</b>	<b>SUBRAMANYAM J</b>					
	At the beginning of the year	<b>29995</b>	<b>0.03</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>29995</b>	<b>0.03</b>	

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
<b>16</b>	<b>G THULASI DEVI</b>					
	At the beginning of the year	<b>12200</b>	<b>0.01</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	15-02-2019	-10000	-0.01	2200	0.00	Sell
	At the end of the year			<b>2200</b>	<b>0.00</b>	
<b>17</b>	<b>VENKATAMMA CHITTEPU</b>					
	At the beginning of the year	<b>1672</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>1672</b>	<b>0.00</b>	
<b>18</b>	<b>NARAPU REDDY C V</b>					
	At the beginning of the year	<b>50</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>50</b>	<b>0.00</b>	

**IV (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS**  
(other than Directors, Promoters & Holders of GDRs & ADRs)

S. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
<b>1</b>	<b>HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND</b>					
	At the beginning of the year	<b>7793394</b>	<b>9.00</b>			
	Date wise Increase / Decrease in shareholding during the year					
	08-06-2018	-45000	-0.05	7748394	8.95	Sell
	29-06-2018	-39594	-0.05	7708800	8.90	Sell
	06-07-2018	-3435	-0.00	7705365	8.90	Sell
	20-07-2018	-139193	-0.16	7566172	8.74	Sell
	27-07-2018	-595300	-0.69	6970872	8.05	Sell
	03-08-2018	-306902	-0.35	6663970	7.69	Sell
	10-08-2018	-113408	-0.13	6550562	7.56	Sell
	17-08-2018	-24100	-0.03	6526462	7.54	Sell
	24-08-2018	-269100	-0.31	6257362	7.22	Sell
	31-08-2018	-129000	-0.15	6128362	7.08	Sell
	07-09-2018	-24000	-0.03	6104362	7.05	Sell
	14-09-2018	-120000	-0.14	5984362	6.91	Sell
	21-09-2018	-168700	-0.19	5815662	6.71	Sell
	28-09-2018	-3487262	-4.03	2328400	2.69	Sell
	12-10-2018	-213600	-0.25	2114800	2.44	Sell
	19-10-2018	-18750	-0.02	2096050	2.42	Sell
	18-01-2019	-48000	-0.06	2048050	2.36	Sell
	08-02-2019	-3100	-0.00	2044950	2.36	Sell
	01-03-2019	-981912	-1.13	1063038	1.23	Sell
	15-03-2019	-1063038	-1.23	0	0.00	Sell
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>2</b>	<b>TARISH INVESTMENT AND TRADING CO. PVT. LTD.</b>					
	At the beginning of the year	<b>5047962</b>	<b>5.83</b>			
	Date wise Increase / Decrease in shareholding during the year					
	06-04-2018	-1246408	-1.44	3801554	4.39	Sell
	13-04-2018	-192602	-0.22	3608952	4.17	Sell
	20-04-2018	-110181	-0.13	3498771	4.04	Sell
	27-04-2018	-3498771	-4.04	0	0.00	Sell
	At the end of the year			<b>0</b>	<b>0.00</b>	



S. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
<b>3</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND</b>					
	At the beginning of the year	<b>4789398</b>	<b>5.53</b>			
	Date wise Increase / Decrease in shareholding during the year	---	---	---	---	
	At the end of the year			<b>4789398</b>	<b>5.53</b>	
<b>4</b>	<b>ATIM KABRA</b>					
	At the beginning of the year	<b>3366211</b>	<b>3.89</b>			
	Date wise Increase / Decrease in shareholding during the year					
	12-10-2018	10000	0.01	3376211	3.90	Buy
	02-11-2018	4000	0.00	3380211	3.90	Buy
	23-11-2018	20000	0.02	3400211	3.93	Buy
	07-12-2018	15000	0.02	3415211	3.94	Buy
	11-01-2019	-28187	-0.03	3387024	3.91	Sell
	18-01-2019	-37718	-0.04	3349306	3.87	Sell
	08-02-2019	17000	0.02	3366306	3.89	Buy
	15-02-2019	7769	0.01	3374075	3.90	Buy
	22-02-2019	10559	0.01	3384634	3.91	Buy
	08-03-2019	25000	0.03	3409634	3.94	Buy
	22-03-2019	-8000	-0.01	3401634	3.93	Sell
	At the end of the year			<b>3401634</b>	<b>3.93</b>	
<b>5</b>	<b>L AND T MUTUAL FUND TRUSTEE LTD-L AND T INFRASTRUCTURE FUND</b>					
	At the beginning of the year	<b>3121088</b>	<b>3.60</b>			
	Date wise Increase / Decrease in shareholding during the year					
	27-04-2018	488055	0.56	3609143	4.17	Buy
	04-05-2018	34702	0.04	3643845	4.21	Buy
	15-06-2018	71919	0.08	3715764	4.29	Buy
	22-06-2018	133524	0.15	3849288	4.44	Buy
	27-07-2018	400000	0.46	4249288	4.91	Buy
	28-09-2018	-1161200	-1.34	3088088	3.57	Sell
	12-10-2018	-75500	-0.09	3012588	3.48	Sell
	19-10-2018	-228308	-0.26	2784280	3.21	Sell
	26-10-2018	-31673	-0.04	2752607	3.18	Sell
	02-11-2018	-165453	-0.19	2587154	2.99	Sell
	09-11-2018	-286470	-0.33	2300684	2.66	Sell
	16-11-2018	-194427	-0.22	2106257	2.43	Sell

S. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
	23-11-2018	-25731	-0.03	2080526	2.40	Sell
	07-12-2018	-424380	-0.49	1656146	1.91	Sell
	14-12-2018	-32340	-0.04	1623806	1.87	Sell
	21-12-2018	-495606	-0.57	1128200	1.30	Sell
	At the end of the year			<b>1128200</b>	<b>1.30</b>	
<b>6</b>	<b>AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND</b>					
	At the beginning of the year	<b>2502939</b>	<b>2.89</b>			
	Date wise Increase / Decrease in shareholding during the year					
	06-04-2018	-50786	-0.06	2452153	2.83	Sell
	27-04-2018	-2452153	-2.83	0	0.00	Sell
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>7</b>	<b>SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I</b>					
	At the beginning of the year	<b>1804070</b>	<b>2.08</b>			
	Date wise Increase / Decrease in shareholding during the year					
	25-01-2019	9271	0.01	1813341	2.09	Buy
	01-02-2019	45485	0.05	1858826	2.15	Buy
	08-02-2019	20000	0.02	1878826	2.17	Buy
	At the end of the year			<b>1878826</b>	<b>2.17</b>	
<b>8</b>	<b>STRATEGIC VENTURES FUND MAURITIUS LIMITED</b>					
	At the beginning of the year	<b>1672097</b>	<b>1.93</b>			
	Date wise Increase / Decrease in shareholding during the year	---	---	---	---	
	At the end of the year			<b>1672097</b>	<b>1.93</b>	
<b>9</b>	<b>MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND</b>					
	At the beginning of the year	<b>1610500</b>	<b>1.86</b>			
	Date wise Increase / Decrease in shareholding during the year	---	---	---	---	
	At the end of the year			<b>1610500</b>	<b>1.86</b>	
<b>10</b>	<b>ICICI PRUDENTIAL INFRASTRUCTURE FUND</b>					
	At the beginning of the year	<b>1600000</b>	<b>1.85</b>			
	Date wise Increase / Decrease in shareholding during the year					

S. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
	13-04-2018	130830	0.15	1730830	2.00	Buy
	20-04-2018	99170	0.11	1830000	2.11	Buy
	11-05-2018	123	0.00	1830123	2.11	Buy
	25-05-2018	3962	0.00	1834085	2.12	Buy
	22-06-2018	-150085	-0.17	1684000	1.94	Sell
	29-06-2018	-80552	-0.09	1603448	1.85	Sell
	27-07-2018	-35635	-0.04	1567813	1.81	Sell
	03-08-2018	-83813	-0.10	1484000	1.71	Sell
	At the end of the year			<b>1484000</b>	<b>1.71</b>	
<b>11</b>	<b>RATNABALI INVESTMENT PRIVATE LIMITED</b>					
	At the beginning of the year	<b>1069000</b>	<b>1.23</b>			
	Date wise Increase / Decrease in shareholding during the year					
	06-04-2018	-100000	-0.12	969000	1.12	Sell
	13-04-2018	-103000	-0.12	866000	1.00	Sell
	27-04-2018	4300000	4.96	5166000	5.96	Buy
	08-06-2018	28623	0.03	5194623	6.00	Buy
	28-09-2018	1089649	1.26	6284272	7.26	Buy
	28-12-2018	-1650000	-1.91	4634272	5.35	Sell
	At the end of the year			<b>4634272</b>	<b>5.35</b>	
<b>12</b>	<b>RATNABALI SECURITIES PRIVATE LIMITED</b>					
	At the beginning of the year	<b>135474</b>	<b>0.16</b>			
	Date wise Increase / Decrease in shareholding during the year					
	06-04-2018	274905	0.32	410379	0.47	Buy
	13-04-2018	-400000	-0.46	10379	0.01	Sell
	27-04-2018	-10379	-0.01	0	0.00	Sell
	28-09-2018	2334833	2.70	2334833	2.70	Buy
	12-10-2018	958	0.00	2335791	2.70	Buy
	19-10-2018	15000	0.02	2350791	2.71	Buy
	26-10-2018	-15000	-0.02	2335791	2.70	Sell
	14-12-2018	2000	0.00	2337791	2.70	Buy
	21-12-2018	-2000	-0.00	2335791	2.70	Sell
	28-12-2018	1650000	1.91	3985791	4.60	Buy
	31-12-2018	-1650000	-1.91	2335791	2.70	Sell
	01-02-2019	3706	0.00	2339497	2.70	Buy
	08-02-2019	-3706	-0.00	2335791	2.70	Sell

S. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
	01-03-2019	762000	0.88	3097791	3.58	Buy
	22-03-2019	5512	0.01	3103303	3.59	Buy
	29-03-2019	-5512	-0.01	3097791	3.58	Sell
	At the end of the year			<b>3097791</b>	<b>3.58</b>	
<b>13</b>	<b>RAJASTHAN GLOBAL SECURITIES PVT LTD</b>					
	At the beginning of the year	<b>69746</b>	<b>0.08</b>			
	Date wise Increase / Decrease in shareholding during the year					
	18-05-2018	700000	0.81	769746	0.89	Buy
	20-07-2018	100000	0.12	869746	1.00	Buy
	28-09-2018	234680	0.27	1104426	1.28	Buy
	05-10-2018	77568	0.09	1181994	1.36	Buy
	19-10-2018	200474	0.23	1382468	1.60	Buy
	26-10-2018	4260	0.00	1386728	1.60	Buy
	02-11-2018	76632	0.09	1463360	1.69	Buy
	16-11-2018	100000	0.12	1563360	1.81	Buy
	22-02-2019	200000	0.23	1763360	2.04	Buy
	22-03-2019	594336	0.69	2357696	2.72	Buy
	29-03-2019	-742875	-0.86	1614821	1.86	Sell
	At the end of the year			<b>1614821</b>	<b>1.86</b>	
<b>14</b>	<b>ADVENTZ FINANCE PRIVATE LIMITED</b>					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in shareholding during the year					
	28-09-2018	1175000	1.36	1175000	1.36	Buy
	31-12-2018	825000	0.95	2000000	2.31	Buy
	At the end of the year			<b>2000000</b>	<b>2.31</b>	

## IV (v) SHAREHOLDING OF DIRECTORS &amp; KMP

S. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
<b>1</b>	<b>B MALLA REDDY *</b>					
	At the beginning of the year	<b>470526</b>	<b>0.54</b>			Collateral
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	07-06-2018	-107000	-0.12	363526	0.42	Collateral
	12-07-2018	-200000	-0.23	163526	0.19	Collateral
	02-11-2018	-50000	-0.06	113526	0.13	Collateral
	15-11-2018	-20000	-0.02	93526	0.11	Collateral
	28-11-2018	-50000	-0.06	43526	0.05	Collateral
	14-12-2018	-3190	0.00	40336	0.05	Collateral
	21-12-2018	-7687	-0.01	32649	0.04	Collateral
	26-12-2018	-12414	-0.01	20235	0.03	Collateral
	16-01-2019	-10000	-0.01	10235	0.01	Collateral
	At the end of the year			<b>10235</b>	<b>0.01</b>	
	* He is holding 10235 shares as on 31st March, 2019, which are under collateral.					
<b>2</b>	<b>Mr. P A CHITRAKAR</b>					
	At the beginning of the year	<b>3157270</b>	<b>3.65</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	27-04-2018	20000	0.02	3177270	3.67	Buy
	08-03-2019	13500	0.02	3190770	3.68	Buy
	15-03-2019	26200	0.03	3216970	3.71	Buy
	At the end of the year			<b>3216970</b>	<b>3.71</b>	
<b>3</b>	<b>Mrs. PRAMEELAMMA CH</b>					
	At the beginning of the year	<b>1683643</b>	<b>1.94</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	30-11-2018	-100000	-0.12	1583643	1.83	Sell
	04-01-2019	-41000	-0.05	1542643	1.78	Sell
	11-01-2019	-10000	-0.01	1532643	1.77	Sell
	At the end of the year			<b>1532643</b>	<b>1.77</b>	
<b>4</b>	<b>Mr. S. GURUNATHA REDDY</b>					
	At the beginning of the year	<b>58938</b>	<b>0.07</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	06-04-2018	10000	0.01	68938	0.08	Buy
	At the end of the year			<b>68938</b>	<b>0.08</b>	
<b>5</b>	<b>Mr. M.V.REDDY</b>					
	At the beginning of the year	<b>53850</b>	<b>0.06</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>53850</b>	<b>0.06</b>	

S. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company	
<b>6</b>	<b>Dr. SHIBAN K KOUL</b>					
	At the beginning of the year	<b>42029</b>	<b>0.05</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>42029</b>	<b>0.05</b>	
<b>7</b>	<b>Mr. T RAMACHANDRU, IAS</b>					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>8</b>	<b>Mr. V V R SASTRY</b>					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>9</b>	<b>Mr. B L N RAJU</b>					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>10</b>	<b>Dr. AVINASH CHANDER</b>					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>11</b>	<b>Mr. SUNIL KUMAR SHARMA</b>					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>12</b>	<b>T ANJANEYULU</b>					
	At the beginning of the year	<b>5000</b>	<b>0.01</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>5000</b>	<b>0.01</b>	



**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year 2018-19</b>				
i) Principal Amount	93,76,76,590	-	-	93,76,76,590
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	2,57,85,006	-	-	2,57,85,006
<b>Total (i+ii+iii)</b>	<b>96,34,61,596</b>	<b>-</b>	<b>-</b>	<b>96,34,61,596</b>
<b>Change in Indebtedness during the financial year 2018-19</b>				
Additions	24,07,34,792	-	-	24,07,34,792
Change in WC borrowings - Addition	5,31,030	-	-	5,31,030
Reduction	(106,04,19,138)	-	-	(106,04,19,138)
<b>Net Change</b>	<b>(81,91,53,316)</b>	<b>-</b>	<b>-</b>	<b>(81,91,53,316)</b>
<b>Indebtedness at the end of the financial year 2018-19</b>				
i) Principal Amount	14,31,41,320	-	-	14,31,41,320
ii) Interest due but not paid	11,66,960	-	-	11,66,960
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>14,43,08,280</b>	<b>-</b>	<b>-</b>	<b>14,43,08,280</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/or Manager:

S. No	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount Rs.
		Mr. B. Malla Reddy	Mr. P.A.Chitrakar	Mrs. C.Prameelamma	Mr. S. Gurunatha Reddy	Mr. M. Venkateshwar Reddy	
<b>1</b>	<b>Gross salary</b>						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	1,14,09,932	83,95,830	96,17,542	64,62,318	52,66,371	4,11,51,993
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	0	0	0	0	0
<b>2</b>	<b>Stock option</b>	-	0	0	0	0	0
<b>3</b>	<b>Sweat Equity</b>	-	0	0	0	0	0
<b>4</b>	<b>Performance Bonus</b>						0
	as % of profit	-	0	0	0	0	0
	others specify	-	0	0	0	0	0
<b>5</b>	<b>Others, please specify-PF company Contribution</b>	2,88,000	2,55,484	2,88,000	2,82,200	2,82,200	13,95,884
	<b>Total (A)</b>	<b>1,16,97,932</b>	<b>86,51,314</b>	<b>99,05,542</b>	<b>67,44,518</b>	<b>55,48,571</b>	<b>4,25,47,877</b>
	Ceiling as per the Act	1,22,50,000	1,22,50,000	1,22,50,000	1,22,50,000	1,22,50,000	6,12,50,000

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### B. Remuneration to other Directors:

S. No	Particulars of Remuneration	Name of the Directors						Total Amount Rs.
		Dr. Shiban K Koul	Mr. T. Ramachandru IAS	Mr. B. L. N. Raju	Mr. V. V. R. Sastry	Dr. Avinash Chander	Mr. Sunil Kumar Sharma	
<b>1</b>	<b>Independent Directors</b>							
	(a) Fee for attending Board/Committee Meetings	1,25,000	1,05,000	1,10,000	1,25,000	1,25,000	20,000	6,10,000
	(b) Commission	3,20,000	3,20,000	3,20,000	3,20,000	3,20,000	-	16,00,000
	(c ) Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>4,45,000</b>	<b>4,25,000</b>	<b>4,30,000</b>	<b>4,45,000</b>	<b>4,45,000</b>	<b>20,000</b>	<b>22,10,000</b>
<b>2</b>	<b>Other Non Executive Directors</b>							
	(a) Fee for attending Board/Committee meetings	-	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>4,45,000</b>	<b>4,25,000</b>	<b>4,30,000</b>	<b>4,45,000</b>	<b>4,45,000</b>	<b>20,000</b>	<b>22,10,000</b>
	Total Managerial Remuneration							22,10,000
	Overall ceiling as per the Act *							16,45,901

\* Being 1% of the net profit of the Company calculated as per Section 198 of the Act. Pursuant to the provisions of Section 197(2) of the Act, the sitting fees paid shall not be considered while computing the said ceiling of 1%

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTB**

S. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount Rs.
		<b>Dy.G.M - Company Secretary</b>	
		<b>Mr. T. Anjaneyulu</b>	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	15,50,022	15,50,022
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	
2	Stock Option	0	
3	Sweat Equity	0	
4	Commission		
	as % of profit	0	
	others, specify	0	
5	Others, please specify	0	
	<b>Total</b>	<b>15,50,022</b>	<b>15,50,022</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

During the year 2018-19, there were no penalties / punishment / compounding of offences under the Act.

**For and on behalf of the Board of Directors**

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: June 24, 2019

## REPORT ON CORPORATE GOVERNANCE

**Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:**

### A. RELATED PARTY DISCLOSURE:

Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report. All the transactions with related parties are at arms' length and in compliance with transfer pricing regulations and consideration is paid/received through cheque /online payment.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and the Board of Directors and are entered into on arm's length basis.

In terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The Company has not entered into any transaction with any person or entity belonging to the Promoter / Promoter Group which holds 10% or more shareholding in the Company.

The policy is placed on the Company's website at: [www.astramwp.com](http://www.astramwp.com)

### B. MANAGEMENT DISCUSSION AND ANALYSIS:

1. The report on Management Discussion and Analysis (MDA) is annexed to the Directors' Report and forms part of this Annual Report.
2. Disclosure of Accounting Treatments:

The Company has followed the Indian Accounting Standards and accounting principles generally accepted in India in preparation of its Financial Statements.

### C. CORPORATE GOVERNANCE:

#### 1. Company's Philosophy on Code of Governance:

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your company also believes in taking into confidence all the stakeholders viz., Shareholders, Employees, Creditors, Customers etc. Your company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the company synchronizes and synergies their efforts in their growth along with the growth of their company.

#### 2. Board of Directors:

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. Presently the Board of Directors comprises six directors, of which four are Non-executive Directors.

The composition of the company's Board, their category, designation, other Directorships and memberships of Committees held by each of them is as follows:

##### a. The composition and category of the Board of Directors is as follows:

S. No	Name of the Director	Category	Designation
1	Dr. Shiban K Koul <sup>1</sup>	Independent Director	Chairman
2	Mr. B.Malla Reddy <sup>2</sup>	Promoter and Executive Director	Managing Director
3	Mr. P.A.Chitrakar <sup>3</sup>	Promoter and Executive Director	Chief Operating Officer
4	Mrs. C.Prameelamma <sup>4</sup>	Promoter and Executive Director	Director (Technical)
5	Mr. S.Gurunatha Reddy <sup>5</sup>	Executive Director	Managing Director
6	Mr. M.V. Reddy <sup>6</sup>	Executive Director	Joint Managing Director
7	Mr.T.Ramachandru, IAS <sup>7</sup>	Independent Director	Director
8	Mr.V.Venkata Rama Sastry	Independent Director	Director
9	Mr.B.Lakshmi Narayana Raju	Independent Director	Director
10	Dr. Avinash Chander <sup>8</sup>	Independent Director	Chairman
11	Mr. Sunil Kumar Sharma <sup>9</sup>	Independent Director	Additional Director

**Notes:**

1. Dr. Shibhan K Koul ceased as Director & Chairman of the Company w.e.f. March 31, 2019 due to Retirement.
2. Mr. B.Malla Reddy resigned as Director & Managing Director of the Company w.e.f. March 31, 2019.
3. Mr. P.A.Chitrakar resigned as Director & Whole time Director designated as Chief Operating Officer of the Company w.e.f. March 31, 2019.
4. Mrs. C.Prameelamma resigned as Director & Whole time Director designated as Director (Technical) of the Company w.e.f. March 31, 2019.
5. Mr. S.Gurunatha Reddy resigned as CFO w.e.f. March 31, 2019 and has been re-designated from Whole Time Director & CFO to Managing Director of the Company, w.e.f 1<sup>st</sup> April, 2019.
6. Mr. M.V.Reddy has been re-designated from Whole Time Director designated as Director (Mktg. & Operations) to Joint Managing Director of the Company, w.e.f 1st April, 2019,
7. Mr. T.Ramachandru, IAS resigned as Director of the Company w.e.f. March 22, 2019.
8. Dr. Avinash Chander was appointed as Chairman of the Company w.e.f. April 1, 2019.
9. Mr. Sunil Kumar Sharma was appointed as an Additional Director (Independent Director) of the Company w.e.f. March 22, 2019.

**b. Attendance of Directors at the meetings:**

The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2019 and at the last Annual General Meeting (AGM) are given below:

S. No	Name of the Director	Number of Board Meetings		Attendance at AGM Held on July 30, 2018
		Held	Attended	
1	Dr. Shibhan K Koul <sup>1</sup>	7	7	Yes
2	Mr. B.Malla Reddy <sup>2</sup>	7	7	Yes
3	Mr. P.A.Chitrakar <sup>3</sup>	7	7	Yes
4	Mrs. C.Prameelamma <sup>4</sup>	7	7	Yes
5	Mr. S.Gurunatha Reddy	7	7	Yes
6	Mr. M.V. Reddy	7	7	Yes
7	Mr. T.Ramachandru, IAS <sup>5</sup>	6	5	Yes
8	Mr. V. Venkata Rama Sastry	7	7	Yes
9	Mr. B. Lakshmi Narayana Raju	7	6	Yes
10	Dr. Avinash Chander	7	7	Yes
11	Mr. Sunil Kumar Sharma <sup>6</sup>	1	1	NA

1. Dr. Shibhan K Koul ceased as Director of the Company w.e.f. March 31, 2019 due to Retirement.
2. Resigned as Director & Managing Director of the Company w.e.f. March 31, 2019.
3. Resigned as Director & Whole time Director designated as Chief Operating Officer of the Company w.e.f. March 31, 2019.
4. Resigned as Director & Whole time Director designated as Director (Technical) of the Company w.e.f. March 31, 2019.
5. Resigned as Director of the Company w.e.f. March 22, 2019.
6. Appointed as an Additional Director of the Company w.e.f. March 22, 2019.



**c. Other Directorships:**

The number of directorships and memberships in the Committees of Other Companies held by the Directors as on March 31, 2019 are as under:

Name of the Director	No. of Other Directorships*	In Other Companies**	
		Membership	Chairmanship
Dr. Shibban K Koul <sup>1</sup>	2	-	-
Mr. B.Malla Reddy <sup>2</sup>	2	-	-
Mr. P.A.Chitrakar <sup>3</sup>	-	-	-
Mrs. C.Prameelamma <sup>4</sup>	1	-	-
Mr. S.Gurunatha Reddy <sup>5</sup>	1	-	-
Mr. M.V. Reddy <sup>6</sup>	2	-	-
Mr. T.Ramachandru, IAS <sup>7</sup>	-	-	-
Mr. V. Venkata Rama Sastry	2	1	-
Mr. B. Lakshmi Narayana Raju	3	-	-
Dr. Avinash Chander <sup>8</sup>	2	-	-
Mr. Sunil Kumar Sharma <sup>9</sup>	3	2	-

\*Includes directorships in the Companies incorporated under the Companies Act, 1956/2013.

\*\* Includes only Audit and Stakeholders Relationship Committee.

None of the Directors hold Directorships in more than 10 Companies.

Note: Please refer explanation as mentioned in table 2 (a) above for notes 1 to 9.

Names of the Listed Companies wherein the Directors of the Company are Directors:

S. No	Name of the Director	No. of Directorships in other Listed Companies	Name of the other Listed Companies in which Directors of the Company are Directors
1	Dr. Shibban K Koul <sup>1</sup>	Nil	NA
2	Mr. B.Malla Reddy <sup>2</sup>	Nil	NA
3	Mr. P.A.Chitrakar <sup>3</sup>	Nil	NA
4	Mrs. C.Prameelamma <sup>4</sup>	Nil	NA
5	Mr. S.Gurunatha Reddy <sup>5</sup>	Nil	NA
6	Mr. M.V. Reddy <sup>6</sup>	Nil	NA
7	Mr.T.Ramachandru, IAS <sup>7</sup>	Nil	NA
8	Mr.V.Venkata Rama Sastry	Nil	NA
9	Mr.B.Lakshmi Narayana Raju	Nil	NA
10	Dr. Avinash Chander <sup>8</sup>	Nil	NA
11	Mr. Sunil Kumar Sharma <sup>9</sup>	1	Power Grid Corporation of India Limited

Note: Please refer explanation as mentioned in table 2 (a) above for notes 1 to 9.

**d. Number of Board Meetings:**

During the year ended March 31, 2019, Seven Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

During the year, seven board meetings were held respectively on April 26, 2018, May 28, 2018, July 30, 2018, October 30, 2018, January 30, 2019, March 22, 2019 and March 30, 2019.

**e. Disclosure of relationship between directors inter-se:**

None of the Directors are related to any other Director.

**f. Shares held by Non-Executive Directors:**

The number of equity shares of the Company held by Non-Executive Directors, as on March 31, 2019 are as follows:

Name of the Director	No. of Equity Shares (face value Rs. 2each) held in the Company
Dr. Shibhan K Koul <sup>1</sup>	42,029
Mr. T.Ramachandru, IAS <sup>2</sup>	Nil
Mr. V. Venkata Rama Sastry	Nil
Mr. B. Lakshmi Narayana Raju	Nil
Dr. Avinash Chander	Nil
Mr. S.K. Sharma	Nil

1. Dr. Shibhan K Koul, Chairman and Independent Director has retired on March 31, 2019.

2. Mr. T.Ramachandru, IAS ceased to be Director of the Company w.e.f. March 22, 2019.

**g. The details of familiarization programmes imparted to independent directors is given below:**

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Board of Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle blower policy, and Corporate Social Responsibility policy.

The Statutory Auditors of the company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the financial results.

The details of familiarization programme is available on the website: [www.astramwp.com](http://www.astramwp.com).

**h) Given below is the chart setting out the skills / expertise / competence of the Board of Directors:**

S. No	Name of the Director	Category	Specialization
1	Dr. Shibhan K Koul <sup>1</sup>	Independent Director	He has more than 40 years of experience in design of microwave and millimeter wave components and circuits.
2	Mr. B.Malla Reddy <sup>2</sup>	Promoter and Executive Director	Mr.B.Malla Reddy is a Post Graduate in Engineering (Automation) from Indian Institute of Science, Bangalore with over 43years experience in Defence Research and Development Laboratory as Scientist (Grades B, C&D) and in private sector industries.
3	Mr. P.A.Chitrakar <sup>3</sup>	Promoter and Executive Director	He has more than 41years of experience in design aspects of a wide range of Microwave Components.
4	Mrs. C.Prameelamma <sup>4</sup>	Promoter and Executive Director	She has more than 42 years of experience in the use of Computer Aided Design work Stations, and in the manufacturing processes and testing of microwave components
5	Mr. S.Gurunatha Reddy <sup>5</sup>	Executive Director	He has more than 30 years of experience in accounting, finance, taxation and secretarial etc.,

6	Mr. M.V. Reddy <sup>6</sup>	Executive Director	He has more than 29 years of experience in handling Marketing and Business operations in the domain of defence, space and telecom segment in India and overseas market.
7	Mr.T.Ramachandru, IAS (Retd). <sup>7</sup>	Independent Director	He has more than 35 years experience in corporate and administration and Secretary to the Chief Minister Odisha, Secretary to Governor Odisha.,
8	Mr.V.Venkata Rama Sastry	Independent Director	He is the retired Chairman and Managing Director, Bharat Electronics Ltd (BEL).
9	Mr.B.Lakshmi Narayana Raju	Independent Director	He has more than 30 years' experience in Digital Library Technologies and Information Technology.
10	Dr. Avinash Chander <sup>8</sup>	Independent Director	He is the retired Secretary, Defence R&D and Director General, DRDO.
11	Mr. Sunil Kumar Sharma <sup>9</sup>	Independent Director	He is the retired Chairman and Managing Director, Bharat Electronics Ltd (BEL).

Note: Please refer explanation as mentioned in table 2 (a) above for notes 1 to 9.

**i) Confirmation from the Board**

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

- j)** Mr.T.Ramachandru, IAS has resigned from the Directorship of the Company before the expiry of his term of appointment due to personal reasons during the financial year ended March 31, 2019.

**3. Audit Committee**

**a. Brief description of terms of reference:**

The powers, role and terms of reference of the audit committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013.

The committee mandatory reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

**b. Composition, name of members and chairperson:**

**Audit Committee:**

The Audit Committee consists of four Independent Directors one Executive Director. The committee is headed by Mr. V.V.R.Sastry, an Independent Director. All the members of the Audit committee are financially literate.

**Composition of the Committee is given below:**

Name of the Director	Category
Mr. V.V.R. Sastry	Chairman
Dr.Shiban K Koul <sup>1</sup>	Member
Mr. B.L.N.Raju	Member
Dr. Avinash Chander <sup>2</sup>	Member
Mr. S.K. Sharma <sup>3</sup>	Member
Mr. S. Gurunatha Reddy <sup>4</sup>	Member

- 1 Dr.Shiban K Koul ceased as Director of the Company w.e.f. March 31, 2019 due to retirement. Accordingly, he also ceased as a Member of the Audit Committee with effect from the said date.
- 2 Appointed as Member of Audit Committee w.e.f. January 30, 2019.
- 3 Appointed as Members of Audit Committee w.e.f. March 30, 2019.
- 4 Appointed as Members of Audit Committee w.e.f. March 30, 2019.

**Attendees:**

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Company Secretary acts as the Secretary of the Committee.

**c. Meetings and attendance during the year:**

The Audit Committee met four times during the year under review on May 27, 2018, July 30, 2018, October 30, 2018, and January 30, 2019.

**Attendance at the Audit Committee Meetings:**

Name of the Director	Category	Number of Meetings	
		Held	Attended
Mr. V.V.R.Sastry	Chairman	4	4
Dr.Shiban K Koul <sup>1</sup>	Member	4	4
Mr. B.L.N.Raju	Member	4	3
Dr. Avinash Chander <sup>2</sup>	Member	--	--
Mr. S.K. Sharma <sup>3</sup>	Member	--	--
Mr. S. Gurunatha Reddy <sup>4</sup>	Member	--	--

Note: Please refer explanation as mentioned in table 3 (b) above for notes 1 to 4.

**4. Nomination and Remuneration Committee:**

**a. Brief description of terms of reference:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Undertaking other matters as the Board may refer from time to time.

**b. Composition, name of members and chairperson:**

The Nomination and Remuneration Committee was constituted by the Board with 4 Independent Directors. The committee is headed by Mr. B.L.N.Raju, an Independent Director.

The Company Secretary acts as the Secretary of the Committee.

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

**Composition of the Nomination and Remuneration Committee:**

Name of the Director	Category
Mr. B.L.N.Raju	Chairman
Dr.Shiban K Koul <sup>1</sup>	Member
Mr. V.V.R.Sastry	Member
Dr. Avinash Chander <sup>2</sup>	Member
Mr. S.K. Sharma <sup>3</sup>	Member

1. Dr. Shibani K Koul ceased as Director of Company w.e.f. March 31, 2019 due to retirement. Accordingly, he also ceased as a Member of the Nomination and Remuneration Committee with effect from the said date.
2. Appointed as Member of the Nomination and Remuneration Committee w.e.f. January 30, 2019.
3. Appointed as Member of the Nomination and Remuneration Committee w.e.f. March 30, 2019.

**c. Nomination and Remuneration Committee meetings and attendance during the year:**

The Nomination and Remuneration Committee met four times during the year under review on April 26, 2018, May 27, 2018, March 22, 2019 and March 30, 2019.

**Attendance at the Nomination and Remuneration Committee Meetings:**

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Mr. B.L.N.Raju	Chairman	4	4
Dr.Shibani K Koul <sup>1</sup>	Member	4	4
Mr. V.V.R.Sastry	Member	4	4
Dr. Avinash Chander <sup>2</sup>	Member	2	2
Mr. S.K. Sharma <sup>3</sup>	Member	--	--

Note: Please refer explanation as mentioned in table 4 (b) above for notes 1 to 3.

**d. Nomination and Remuneration policy**

The compensation of the executive directors comprises of fixed component and performance bonus. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Committee.

The Non-executive directors are paid Commission & sitting fees for attending meetings of Board/ Committee.

**e. Performance evaluation of Directors.**

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

**f. Meeting of Independent Directors**

A separate meeting of the Independent Directors was held on January 30, 2019 inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

**5. Succession planning**

The Nomination and Remuneration Committee works with the Board on succession plan to ensure orderly succession in appointment to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within the Board of Directors.

**6. Remuneration of Directors:**

- a. There were no pecuniary transactions with any non-executive director of the Company.
- b. Non-Executive Directors are paid Sitting Fees for attending the Board and Committee Meetings and paid commission.

Following are the details of Commission & sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2019:

Name of the Non-Executive Director	Sitting Fees Amount (Rs.)	Commission Amount (Rs.)	Total Amount (Rs.)
Dr. Shibban K Koul <sup>1</sup>	1,25,000	3,20,000	4,45,000
Mr. T. Ramachandru, IAS <sup>2</sup>	1,05,000	3,20,000	4,25,000
Mr. V. Venkata Rama Sastry	1,25,000	3,20,000	4,45,000
Mr. B. Lakshmi Narayana Raju	1,10,000	3,20,000	4,30,000
Dr. Avinash Chander	1,25,000	3,20,000	4,45,000
Mr. S.K. Sharma <sup>3</sup>	20,000	0	20000

1. Dr. Shibban K Koul, ceased as Director of the Company w.e.f. March 31, 2019 due to retirement.
2. Resigned as Director of the Company w.e.f. March 22, 2019.
3. Appointed as an Additional Director (Independent Director) of the Company w.e.f. March 22, 2019.

The Remuneration paid to the Whole-time Directors during the year is as follows:

Name of the Director and Designation	Salary (Rs.)	Commission/ Performance Bonus (Rs.)	Benefits (PFC Company contribution)	Pension	Service contracts	Notice period	Total (Rs.)
Mr. B. Malla Reddy <sup>1</sup> (CEO/ Managing Director)	1,14,09,932	0	2,88,000	----	Appointed for a period of 5 years	As per the Rules of the Company	1,16,97,932
Mr. P.A. Chitrakar <sup>2</sup> (COO)	83,95,830	0	2,55,484	----	--Do--	--Do--	86,51,314
Mrs. C. Prameelamma <sup>3</sup> Director (Technical)	96,17,542	0	2,88,000	----	--Do--	--Do--	99,05,542
Mr. S. Gurunatha Reddy <sup>4</sup> (Whole Time Director & CFO)	64,62,318	0	2,82,200	----	--Do--	--Do--	67,44,518
Mr. M. Venkateshwar Reddy <sup>5</sup> Director (Mktg. & Operations)	52,66,371	0	2,82,200	----	--Do--	--Do--	55,48,571

1. resigned as Director & Managing Director of the Company w.e.f. March 31, 2019.
2. resigned as Director & Whole time Director designated as Chief Operating Officer of the Company w.e.f. March 31, 2019.
3. resigned as Director & Whole time Director designated as Director (Technical) of the Company w.e.f. March 31, 2019.
4. resigned as CFO of the Company w.e.f. April 1, 2019 and has been re-designated from Whole Time Director & CFO to Managing Director of the Company, w.e.f 1<sup>st</sup> April, 2019.
5. re-designated from Whole Time Director designated as Director (Mktg. & Operations) to Joint Managing Director of the Company, w.e.f 1<sup>st</sup> April, 2019,

There were no severance fees or stock option plan for the Executive/ Non Executive Directors. The appointment of Whole Time Directors is made for a period of five years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings.

## 7. Stakeholders Relationship Committee:

### a. Composition

The Committee consists of the following Directors:

Name of the Director	Designation (s)
Dr. Shibban K Koul <sup>1</sup>	Chairman
Mr. P.A.Chitrakar <sup>2</sup>	Member
Dr. Avinash Chander <sup>3</sup>	Chairman
Mr. S. Gurunatha Reddy	Member
Mr. M. V. Reddy	Member

- 1 Resigned as Chairman of Stakeholders Relationship Committee w.e.f. January 30, 2019. He ceased as Director of the Company w.e.f. March 31, 2019 due to retirement, accordingly he also ceased as Member of the Stakeholder's Relationship Committee with effect from the said date.
- 2 Resigned as Director of the Company w.e.f. March 31, 2019. Accordingly, he also ceased as Member of the Stakeholders Relationship Committee with effect from the said date.
- 3 Dr. Avinash Chander was elected as a Chairman of Stakeholders Relationship Committee w.e.f. January 30, 2019.

**b. Name and Designation of Compliance Officer:**

Mr. T. Anjaneyulu, Dy.General Manager - Company Secretary

**c. Number of Shareholders Complaints received so far:**

During the year ended March 31, 2019, the Company has received one complaint and resolved as same during the year.

**d. Number of complaints not resolved to the satisfaction of shareholders is N.A**

**e. There were no pending complaints as at the year end.**

**Terms of Reference**

The Stakeholders Relationship Committee oversees and reviews all matters connected with the securities transfer and also looks into redressing of shareholders complaints like transfer/transmission of shares, non-receipt of annual reports / dividends etc.,

**Email-id for Investor Grievances:** secretarial@astramwp.com.

**8. General Body Meetings:**

**a. The details of date, location and time of the last three Annual General Meetings held are as under:**

For the year	Venue	Day & Date	Time
2016	Swagath-De-Royal Hotel, Kondapur, Hyderabad	Friday 29 <sup>th</sup> July, 2016	12.30 P.M
2017	Swagath-De-Royal Hotel, Kondapur, Hyderabad	Friday 28 <sup>th</sup> July, 2017	11.00 A.M
2018	Swagath-De-Royal Hotel, Kondapur, Hyderabad	Monday 30 <sup>th</sup> July, 2018	12.30 P.M

**b. Special Resolutions passed during the previous three Annual General Meetings:**

**27<sup>th</sup> Annual General Meeting – July 30, 2018**

No Special resolutions were passed.

**26<sup>th</sup> Annual General Meeting – July 28, 2017**

No Special resolutions were passed.

**25<sup>th</sup> Annual General Meeting – July 29, 2016**

No Special resolutions were passed.

**c. whether any special resolution passed last year through postal ballot – details of voting pattern;**

There were no resolutions required to be passed through postal ballot.

**d. person who conducted the postal ballot exercise:**

Not Applicable

**e. whether any special resolution is proposed to be conducted through postal ballot:**

No

**f. procedure for postal ballot:**

Not Applicable



## 9. Means of Communication:

### a. Quarterly results:

The quarterly financial results of the company are published in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

### b. Newspapers wherein results normally published:

The results of the Company are published in widely circulated newspapers namely Nava Telangana (Telugu daily, Hyderabad edition) and Business Standard (English daily, all editions).

### c. Any website, where displayed:

The results of the Company are displayed on the Company's website: [www.astramwp.com](http://www.astramwp.com)

### d. Whether it also displays official news releases:

Official news releases along with quarterly results are displayed on the Company's website: [www.astramwp.com](http://www.astramwp.com)

### e. Presentations made to institutional investors or to the analysts:

The presentations made to the investors/ analysts are placed on the Company's website: [www.astramwp.com](http://www.astramwp.com).

## 10. General Shareholder Information:

### a. Annual general meeting - date, time and venue:

<b>Day, Date and time</b>	Wednesday, 14 <sup>th</sup> August, 2019 at 12.30 P.M.
<b>Venue</b>	Swagath-De-Royal Hotel, Kondapur, Hyderabad

### b. Financial Year

April 1, 2019 to March 31, 2020. Indicative calendar of events for the year 2019-20 (financial year) excluding Extra Ordinary General Meeting(s), if any, is as under

28 <sup>th</sup> Annual General Meeting	14 <sup>th</sup> August, 2019
First Quarter financial results	14 <sup>th</sup> August, 2019
Second Quarter financial results	October/November, 2019
Third Quarter financial results	January/February, 2020
Fourth Quarter & Annual results of financial year 2019-20	April/May, 2020

### Book Closure

The Company's Register of Members and Share Transfer books will remain closed for the purpose of payment of dividend.	08 <sup>th</sup> August, 2019 to 14 <sup>th</sup> August, 2019 (Both days inclusive)
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### c. Dividend Payment Date:

Will be paid to shareholders on and from August 21, 2019.

### d. Listing on Stock Exchanges:

Company's equity shares are listed at:

Name and Address of the Stock Exchange	Scrip Code
The National Stock Exchange of India "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	ASTRAMICRO
The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	532493
<b>Listing Fee</b> The Company has paid till date listing fee of all the above Exchanges.	

**e. Market price data- high, low during each month in last financial year;**

Monthly high and low quotations and volume of shares traded on The Bombay Stock Exchange Limited.

Month	BSE		
	High(Rs.)	Low(Rs.)	No. of Shares Traded
April, 2018	109.80	75.50	43,57,345
May, 2018	112.45	85.90	23,78,835
June, 2018	108.00	93.20	12,91,511
July, 2018	107.45	95.00	13,53,476
August, 2018	104.20	95.00	8,32,172
September, 2018	99.50	80.55	15,10,224
October, 2018	89.50	75.25	5,33,097
November, 2018	82.95	75.00	10,28,947
December, 2018	86.00	74.05	7,64,525
January, 2019	85.70	75.05	4,78,049
February, 2019	80.75	71.00	1,98,289
March, 2019	105.20	79.15	16,33,630

**f. Performance in comparison to broad-based indices of BSE Sensex:**

Month	ASTRA Closing Price (Rs.)	BSE Sensex (Closing)
April, 2018	108.45	35,160.36
May, 2018	103.10	35,322.38
June, 2018	98.30	35,423.48
July, 2018	101.70	37,606.58
August, 2018	97.75	38,645.07
September, 2018	88.25	36,227.14
October, 2018	79.45	34,442.05
November, 2018	79.35	36,194.30
December, 2018	77.35	36,068.33
January, 2019	78.60	36,256.69
February, 2019	78.75	35,867.44
March, 2019	98.30	38,672.91

**g. There was no suspension of trading in Securities of the Company during the year under review.****h. Registrar to an issue & Share Transfer Agents:**

(for Shares held in both Physical and Demat mode)

**M/s. Purva Shareregistry (India) Pvt. Ltd.,**

Shiv Shakti Industrial Estate, Unit No.9,

Ground Floor, 7 B J R Boricha Marg,

Lower Parel, Mumbai - 400 011

Tele:91-022-23016761, 2301 8261 and 2301 0771.

Email:busicomp@gmail.com

**i. Share Transfer System**

Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt, subject to the documents being valid and complete in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and files a copy of the said certificate with Stock Exchanges.

- j. **Distribution of shareholding:**  
Shareholding pattern as on 31.03.2019

**Distribution of shareholding**

No. of shares held	No. of shareholders
Upto - 5,000	37653
5,001 - 10,000	996
10,001 - 20,000	416
20,001 - 30,000	132
30,001 - 40,000	84
40,001 - 50,000	43
50,001 - 1,00,000	109
1,00,001 and above	127
<b>TOTAL</b>	<b>39560</b>

**Shareholding pattern**

Category	No. of shares	% shareholding
Promoters Group	11171398	12.89
Individuals	28241775	32.61
Mutual Funds	7401598	8.55
Hindu Undivided Family (HUF)	2128805	2.46
Foreign Portfolio Investor (FPI)	1276404	1.47
NRIs (Repatriated & non-Repatriated)	5286527	6.11
Foreign Corporate Bodies (FCB)	1672097	1.93
Bodies Corporate	18768105	21.67
Trusts	714	0.00
Banks	62253	0.07
Financial Institutions	78199	0.09
Clearing Members	5640954	6.51
Alternate Investment Fund	4101300	4.74
Investor Education Protection Fund (IEPF) A/c	583865	0.67
LLP	195681	0.23
NBFCs Registered with RBI	2000	0.00
<b>Total</b>	<b>8,66,11,675</b>	<b>100.00</b>

- k. **Dematerialization of shares and liquidity.**

Trading of the Company's shares is compulsorily in dematerialized form for all investors. As of March 31, 2019 equity shares representing 99.36% have been dematerialized with the following depositories:

Description	ISIN	Depositories
Equity shares	INE386C01029	NSDL & CDSL

- l. **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.**

The Company has not issued any GDRs/ADRs. There were no outstanding convertible warrants as on March 31, 2019.

- m. **Commodity Price Risk or Commodity hedging activities:**

The Company has not carried on any Commodity Business and has also not carried any commodity hedging activities, hence same are not applicable to the Company.

**n. Plant Locations.**

<b>Unit-I</b> Plot No: 12, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak(District) -502 325, Telangana Tele: 040-46618100 / 01	<b>Unit-II</b> Plot No: 56A, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak (District)-502 325, Telangana Tele: 040-46618200 / 01
<b>Unit-III</b> Survey no: 1/1, Imarat Kancha, Raviryal Village, MaheswaramMandal, Rangareddy(District)-500 010, Telangana Tele: 040-46618300 / 01	<b>Unit-IV</b> Plot no: 18, 19, 20 & 21 (Part) Hardware Park, Sy.No: 1/1, Imarat Kancha of Raviryal Village, Maheswaram Mandal, Rangareddy (District)-500 010, Telangana Tele: 040-46618700 / 01
<b>Unit – V (R &amp; D Centre)</b> Plot No. 51-P, Bengaluru Aerospace Park, Survey Nos. Parts of 36 to 40, Dummanahalli Village, Jalahobli, Yelahanka (Taluk), Bengaluru North, Karnataka – 562149 Tel: 080-61576700/6701, Fax: 080-61576748	

**o. Address for correspondence:**

ASTRA MICROWAVE PRODUCTS LIMITED  
‘ASTRA TOWERS’, Survey No:12 (Part),  
Opp. CII Green Building, Hitech City, Kondapur,  
Hyderabad, Telangana, India – 500038  
Tele: 040-46618000/8001 Fax: 040-46618048  
CIN:L29309TG1991PLC013203  
E-mail: [secretarial@astramwp.com](mailto:secretarial@astramwp.com).  
Website: [www.astramwp.com](http://www.astramwp.com)

**p. Credit Rating**

Given below are the ratings given to the Company by CRISIL during the financial year ended March 31, 2019.

Long Term: CRISIL A+/Stable (Reaffirmed)

Short Term: CRISIL A1 (Reaffirmed)

**10A. Other Disclosures****a. Related party transactions**

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes on Accounts in the financial statements as at March 31, 2019.

**b. Details of non-compliance etc.,**

There have not been any Non-Compliance by the Company in general and no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

**c. Details of establishment of Vigil Mechanism (Whistle Blower policy)**

The Board of Directors of the Company had adopted the Whistle Blower policy and appointed a designated person. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company’s Code of Conduct policy.

The Audit Committee reviews periodically the functioning of Whistle Blower mechanism.

No employee has been denied access to the Audit committee. A copy of the Whistle Blower policy is also hosted on the website of the Company: [www.astramwp.com](http://www.astramwp.com).

The designated person had not received any complaint during the financial year ended 31<sup>st</sup> March, 2019.

Email-id for designated person: [whistleblower@astramwp.com](mailto:whistleblower@astramwp.com)

**d. Policy on Material Subsidiaries**

The policy for determining 'material' subsidiaries is available on the website of the company [www.astramwp.com](http://www.astramwp.com).

**e. Policy on Related Party Transactions**

The policy on dealing with related party transactions is available on the website of the company [www.astramwp.com](http://www.astramwp.com).

**f.** The company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2019.

**g.** A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

**h.** There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.

**i.** Given below are the details of fees paid to Price Waterhouse Chartered Accountants LLP, Chartered Accountant, Statutory Auditors of the Company on a Consolidated basis during the financial year ended March 31, 2019:

S. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid in Lakhs
1.	Statutory Audit fees paid for Audit of the Company including Limited Review of the Company	15,00,000
2.	Fees paid for other services	5,00,000
	<b>Total</b>	<b>20,00,000</b>

**j** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

S. No.	Particulars	No.
1.	Number of complaints on Sexual harassment received during the year	Nil
2.	Number of Complaints disposed off during the year	Not Applicable
3.	Number of cases pending as on end of the financial year	Not Applicable

**11.** The Company has complied with the requirements of the Schedule V Corporate Governance report sub-para (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**12. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has complied with all the mandatory requirements of the Schedule V Corporate Governance report of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Separate persons to the post of Chairman and Managing Director has been adopted from discretionary requirements.

**13. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

Regulation	Particulars of Regulations	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	N.A
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to(i)	Website	Yes

**14. Subsidiary Companies**

The Company does not have any material unlisted subsidiary in India. The minutes of the Board meetings of the subsidiary is periodically placed at the Board meeting of the Company.

**15. Code of Conduct**

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis.

**16. CEO and CFO certification**

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule – V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

**17. Transfer of Shares to Investor Education and Protection Fund**

As per the provisions of section 124 of the Companies Act, 2013, shares of the Shareholders, who has not claimed dividends for a continuous period of 7 years, shall be transferred to Investor Education and Protection Fund Authority account.

Accordingly, the Company has transferred 2,04,425 equity shares to Investor Education and Protection Fund during the financial year ended March 31, 2019.

**18. Proceeds from public issues, rights issues, preferential issues etc.**

During the year ended March 31, 2019, there were no proceeds from public issues, rights issues, preferential issues, etc.

**19. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company [www.astramwp.com](http://www.astramwp.com).**

**20. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company [www.astramwp.com](http://www.astramwp.com).**

**For and on behalf of the Board of Directors**

Place: Hyderabad  
Date: June 24, 2019

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

**DECLARATION**

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2019.

**For Astra Microwave Products Limited**

Place: Hyderabad  
Date: June 24, 2019

**S.Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**CEO AND CFO CERTIFICATE**

We hereby certify that:

- a) We have reviewed audited financial statements for the Financial Year ended March 31, 2019 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Astra Microwave Products Limited**

Place: Hyderabad  
Date: June 24, 2019

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003154

**B.V.S Narasinga Rao**  
CFO



To  
The Members,  
Astra Microwave Products Limited,  
Hyderabad.

**SUB: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure) Regulations, 2015**

We, **L.D.Reddy&Co.**, Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of **ASTRA MICROWAVE PRODUCTS LIMITED (CIN: L29309TG1991PLC013203)** having its Registered Office at 'ASTRA TOWERS', Survey No:12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana, India – 500038, (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial year ended on March 31, 2019.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019:

Sr. No.	Name of the Director	DIN No.	Date of Appointment in Company
1.	Dr.Shiban K Koul	00003360	25-04-2005
2.	Mr.B.Malla Reddy	00003154	13-09-1991
3.	Mr. P.A. Chitrakar	00003213	01-09-1994
4.	Mrs.C.Prameelamma	00003243	13-09-1991
5.	Mr.S.Gurunatha Reddy	00003828	29-04-2013
6.	Mr.M.V.Reddy	00421401	29-04-2013
7.	Mr. V. Venkata Rama Sastry	00027875	29-01-2016
8.	Mr. B. Lakshmi Narayana Raju	07411713	29-01-2016
9.	Dr. Avinash Chander	05288690	29-01-2018
10.	Mr. Sunil Kumar Sharma	03614952	22-03-2019

**For L. D. REDDY & CO.,**  
Company Secretaries

**L. Dhanamjay Reddy**  
(Proprietor)  
M. No. 13104  
CP No. 3752

Place: Hyderabad  
Date: June 24, 2019

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members of**  
**Astra Microwave Products Limited**

1. This certificate is issued in accordance with the terms of our engagement letter
2. This report contains details of compliance of conditions of Corporate Governance by **Astra Microwave Products Limited** ('the Company') for the year ended 31 March 2019, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for compliance with the conditions of SEBI Listing Regulations.**

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures.

**Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March, 2019.
6. We conducted our examination in accordance with the, Guidance Note on Corporate Governance Certificate, issued by the Institute of Company Secretaries of India ('ICSI'), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.

**Opinion**

7. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company.

**Restriction on use**

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For L. D. REDDY & CO.,**  
Company Secretaries

**L. Dhanamjay Reddy**  
(Proprietor)  
M. No. 13104  
CP No. 3752

Place: Hyderabad  
Date: June 24, 2019

## Management's Discussion and Analysis of Results of Operations and Financial Condition

### Overview:

Astra is engaged in designing and manufacturing of high value added RF and microwave super components and sub-systems finding applications in Defense, Space, Telecom, Meteorology and Civil communication systems.

### A. Financial Analysis:

The financial statements have been prepared in accordance with the guideline as laid out in the Companies Act, 2013 and Indian Accounting Standard-(Ind-AS) in India. The management of Astra accepts responsibility for the integrity and objectivity of these financial statements. The financial statements reflect in a true and fair manner, the form and substance of transactions and reasonably present the company's state of affairs and profits for the year.

#### a) Operational Performance:

Company recorded negative growth in top line and bottom line during the year which we believe is one off case contributed largely by the market dynamics. We are confident to recover and bounce back with positive growth in the coming year/s. Following are some of the major achievements of the Company during the year in terms of new product deliveries, new projects, new initiatives etc.,

- Successfully designed, developed and commissioned passive Phased Array Telemetry System.
- Successfully completed execution of Pulse Compression Radar.
- Successfully Executed Meteorology Receive Earth Stations turnkey project for Antrix/ IMD, which will lead to growth in this line of business.
- Successfully completed supply, installation and commissioning of GSRS to Paramilitary Forces.
- Successfully developed Ground and Airborne Datalinks for a Missile Programme.
- Successful development of GaN MMIC's in various frequency bands should give strong technology foothold to the Company in future programs.
- Successful development of High Altitude Proximity Sensors and Fuzes, a new development across smart ammunition / missile platforms.
- Successful field functioning of indigenous Fixed Head Doppler Radars adds legacy for development of small systems.
- Development and field testing of RF Seekers is progressing well.
- Undertaking development of critical sub-systems for key missile projects covering majority of the electronics.
- Developing Data Transmitter for future satellite programmes.
- Indigenous development and manufacturing of Multifunction Displays.
- Undertaking development and Supply of Single/Multi(Integrated) frequency band Transponders for on-board missile.
- Development of critical wide band sub-systems for EW applications, a good breakthrough in technology achieved by in-house R&D, replacing legacy imported sub-systems.
- Doppler weather Radars are Under development, a big leap in the development of the atmospheric systems domain, after successful realisation of Low Atmospheric Wind Profiler Radars.
- Undertaking Development of Remote Video Terminals for UAV datalink communication.

**b) Order Book:**

At the end of the year the order book position is healthy with a good mix of domestic and export business. Most of these orders are executable in the next 24 months period.

Sector	Rs. In Lacs
Defence/Public Sector Products	10,305
Space	26,414
Meteorological & Telecom Products	6,024
Exports	73,981
<b>Total</b>	<b>1,16,724</b>

**c) Sales performance:**

Sector wise sales are as follows

Business Sector	FY 2018-19		FY 2017-18	
	Rs. Lacs	%	Rs. Lacs	%
Defense	15,155	53	30,285	84
Space	3,256	11	2,884	8
Metrology/Civil Telecom	4,868	17	360	1
Exports	5,056	18	2,163	6
Other Operating Revenue	281	1	361	1
<b>Total</b>	<b>28,616</b>	<b>100</b>	<b>36,053</b>	<b>100</b>

**d) Expansion Plans:**

The company is looking at organic and inorganic options to stabilize top line performance as present sub-systems business is project driven and hence lumpy in nature. The Company may have to raise funds from capital market if some of the present discussions to establish joint venture companies, long term business relationships with foreign OEM bear fruit. More details will be shared with the stakeholders as and when we reach some conclusions on these matters.

To augment present activities we have budgeted to spend about Rs.10 cr which will be fully funded through internal accruals.

**e) Risks & Concerns:**

The Company's main source of revenues lies in Defence market. Most of these projects are initiated, designed and developed by DRDO labs and driven by Govt., policies and priorities. Though technically we can project and complete the product development on the time lines indicated, conversion of that to a recognizable quantum of orders lies mainly on the Government decisions. This results in an uneven and skewed pattern of sales for the Company, which is beyond the control of the Company.

Defence export business is driven by offset provisions of Govt., of India which is project based and hence generally lumpy in nature and is controlled by export regulations where time delays could happen in granting necessary permissions. This export business is also high precision and skilled job involving specialized inputs from across the globe which has a bearing on timely execution and uniform billing.

**B. Financial Condition:****1. Share Capital**

At present, the company has only one class of shares-equity shares of Rs.2 each, par value. The paid up capital as on 31.03.2019 is Rs.17.32 cr.

**2. Reserves and Surplus**

The change in reserves and surplus represents the profits made during the year after making provisions for taxation.

### 3. Loan Funds

The company has taken long terms loans during the year to implement its capital expenditure budget. Following are the details of secured loans maintenance during the year.

Particulars	As of March 31 (Amount Rs.)	
	2019	2018
<b>Working capital loans:</b>		
Open cash credit		
Sanctioned amount	95,00,00,000	125,00,00,000
Outstanding amount	5,31,030	20,00,00,000
<b>Long Term Loans:</b>		
Outstanding at the beginning of the year	23,76,76,590	22,79,41,702
Additions during year	-	10,22,07,010
Repaid during the year	9,50,66,300	9,24,72,122
Amount outstanding at the end of the year	14,26,10,290	23,76,76,590
<b>Redeemable Non-Convertible Debentures:</b>		
Allotment Amount		
Outstanding Amount	-	50,00,00,000

### 4. Deferred tax

The deferred tax liability pertains to difference in the depreciation claimed in the books and tax purposes.

### 5. Fixed Assets

Particulars	As of March 31 (Amount Rs.)	
	2019	2018
Original cost		
Land	20,45,97,005	19,86,94,409
Buildings	68,04,12,021	67,83,64,544
Plant & Machinery	121,42,94,228	112,76,23,825
Electrical installation	3,42,76,100	3,13,99,067
Air conditioners	4,33,29,688	4,27,94,053
Office equipment	3,02,37,209	2,65,51,540
Furniture and fixtures	3,59,03,522	3,43,59,061
Computers	10,64,29,120	9,22,67,226
Vehicles	97,08,632	79,71,406
Solar Power Generating System	6,69,18,781	6,69,18,781
Wind Electric Generating System	12,45,47,464	12,45,47,464
Less: Accumulated depreciation	78,62,92,029	50,37,99,130
Net block	176,43,61,741	192,76,92,246
Net fixed assets	176,43,61,741	192,76,92,246
Depreciation as % of total revenue	9.20	7.32
Accumulated depreciation as a % of gross block	30.82	20.71

During the year the company added assets (net) worth Rs. 11.89 crores to the gross block. Most of the plant and machinery additions pertain to cost of Test equipment's. Addition of these equipment and facilities has improved the productivity of the Company directly and indirectly.

## 6. Investments

Investments represents amount invested in equity share capital of wholly owned subsidiary companies and Joint Venture Companies.

Particulars	As at	
	31.03.2019	31.03.2018
	Rs.	Rs.
<b>i) Equity instruments of Subsidiaries(unquoted):</b>		
1. 1,75,998 Equity Shares of Rs.10/- each fully paid up In M/s. Bhavyabhanu Electronics Private Limited (Wholly owned subsidiary engaged in Automatic Assembly)	2,09,87,980	2,09,87,980
2. 1,11,700 (Previous year 71,700)Equity shares of S\$ 10 each fully paid up in M/s. Aelius Semiconductors Pte. Ltd, Singapore (Wholly owned subsidiary engaged in Development and sale of MMICs and based in Singapore)	5,52,41,674	3,46,57,674
3. 9,990 Equity Shares of Rs.10/- each fully paid up in Astra Foundation	99,900	99,900
<b>ii) Equity Instrument of Joint Ventures(unquoted):</b>		
1. 1,62,50,000(Previous Year 1,000 Equity Shares of Rs.10/- each fully paid up in Astra Rafael Comsys Private Limited (Floated for Joint Venture Operations with M/s. Rafael, Israel)	16,25,00,000	10,000
<b>Investment carried at fair value through profit and loss Equity instruments of others (unquoted)</b>		
1000 Equity Shares of Rs.10/- each fully paid up in Astra UBS Technologies Private Limited (Floated for Joint Venture Operations with M/s. UBS, Canada)- closed during the year	-	10,000
<b>Total</b>	<b>23,88,29,554</b>	<b>5,57,65,554</b>

## 7. Sundry Debtors.

Sundry debtors amount to Rs.189 cr at the end of the year as compared to Rs. 187 cr for the previous year. They are at 66% of revenue for the year as compared to 52% for the previous year representing an outstanding of 190 days and 192 days of revenues for the respective years. However the outstanding days are to be read with skewed pattern of sales with majority of billing happening in the last quarter.

The company reviews health of receivables on monthly basis and has policy of writing off debts as bad after the review and recommendation by the management review committee. The committee before recommending considers various factors including the collectability of specific dues, risk perception of the industry and the customer's ability to settle.

## 8. Cash and cash equivalents

The company is operating with multiple banks and the surplus funds if any are parked with them or with their associates. For meeting certain statutory requirements the company is maintaining current accounts with couple of other nationalized banks. The company's cash and cash equivalents is as follows.

Particulars	2019	2018
Cash and cash equivalents as a % of total assets	1.15	3.06
Cash and cash equivalents as a % of revenues	2.47	5.72

## 9. Loans and Advances

The advances paid for supplies, services and expenses represent the amount paid to both domestic and foreign vendors for supply of materials and services. The advances also include un-availed GST both on capital goods and raw materials.

The amount of income-tax paid represents the advance tax and TDS deducted less provision for tax.

## 10. Current liabilities

Sundry creditors for capital works, supplies represents the amount due at the end of the year for the capital goods and raw material supplied. Sundry creditors for services and expenses represent the amount due and payable for various expenses including the accrued salaries and other benefits of the employees.

Advances from customers represent the amount received as per the terms of purchase orders from the Defence and Space establishments and on export orders.

## 11. Provisions

Provisions represents provisions made for taxation, gratuity, leave encashment etc., Taxation provisions are shown net of advance tax for the years for which the assessments are pending.

The provision for gratuity and leave encashment is provided on the basis of actuarial valuation at the end of the financial year.

## C. Others

### Human Resources

We treat human resource as the most valuable asset. Employee satisfaction is essential to us. Therefore, placing a strong focus on our employees is in the best interest of our clients and shareholders. We commit to improve the quality of work life and employee satisfaction, while aligning the individual aspirations with the company objectives. Towards creating a vibrant and performance-oriented culture in the organization, several interventions are initiated. Online HR portal facilitates employee interactions with HR department for all their requirements. Company has introduced on line leave approvals, annual appraisals, training programs etc., through the online portal. Overall employee relations are cordial and productive.

### Internal Control Systems & Adequacy

The Company is committed to maintaining an effective system of internal control. The Company is conducting all its operations on ERP-SAP system. Successful usage of ERP-SAP system has facilitated management's objective of establishment of accurate, reliable and speedy compilation of financial information, safeguarding the assets and interest of the Company and ensuring compliance with laws and regulations.

The Company functions with well-defined budgets and has an effective management information system to enable the management to regularly review actual performance. The Company has also put in place a well-defined organization structure, clear authority levels and internal guidelines for conduction of business transactions.

M/s. Kirtane & Pandit LLP – Chartered Accountants, conducts Company's internal audit program which supplements the Company's internal control systems. To achieve full effectiveness, the scope of the internal audit function has an unrestricted range of coverage of the organisations operations and the internal auditor was given sufficient authority to access such records, assets and personnel as are necessary for proper fulfilment of his responsibilities. The Audit committee of the Board of Directors reviews the Internal Audit Reports at regular intervals and suggests implementation of best practices based on observations therein.



**SELECT FINANCIAL DATA****Amount in Rs.lacs (except otherwise stated)**

<b>Particulars</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Gross sales	64,417	43,745	45,213	43,914	<b>33,261</b>
Net Sales	63,433	41,958	42,508	36,054	<b>28,616</b>
Expenditure	53,300	32,425	32,564	25,100	<b>25,638</b>
Operating Profit (EBDIT)	10,133	9,533	9,944	10,954	<b>2,978</b>
Interest	948	879	1,050	1,192	<b>896</b>
Profit before depreciation and tax(PBDT)	9,185	8,654	8,894	9,762	<b>2,082</b>
Depreciation	2,154	2,358	2,407	2,703	<b>2,857</b>
Other income	1,118	838	374	835	<b>2,449</b>
Profit before tax(PBT)	8,149	7,134	6,861	7,894	<b>1,675</b>
Tax including Deferred Tax	2,072	1,500	1,201	1,825	<b>421</b>
Profit after Tax(PAT)	6,077	5,635	5,656	6,069	<b>1,254</b>
Equity share Capital	1,636	1,732	1,732	1,732	<b>1,732</b>
No.of shares (Rs.2/- each)	8,18,25,225	8,66,11,675	8,66,11,675	8,66,11,675	<b>8,66,11,675</b>
Gross Fixed Assets	26,621	28,477	32,168	24,317	<b>25,533</b>
Net Fixed Assets	13,921	13,472	14,773	19,279	<b>17,644</b>
Raw material consumed	43,839	19,345	19,282	14,289	<b>17,489</b>
Man power cost	3,949	5,082	5,671	6,589	<b>6,149</b>
Sundry debtors	11,187	17,730	22,743	18,773	<b>18,965</b>
Networth	29,002	39,760	45,416	50,168	<b>50,295</b>
Capital Employed	33,312	46,082	49,128	49,749	<b>47,197</b>
EBDIT to Sales(%)	15.97	22.72	23.39	30.38	<b>10.41</b>
EBDT to Sales(%)	14.48	20.63	20.92	27.08	<b>7.28</b>
PBT to Sales(%)	12.85	17.00	16.14	21.89	<b>5.85</b>
PAT to Sales(%)	9.58	13.43	13.31	16.83	<b>4.38</b>
Sales to Net fixed Assets	4.56	3.11	2.88	1.87	<b>1.62</b>
Raw materials to Sales(%)	69.11	46.11	45.36	39.63	<b>61.12</b>
Man power cost to Sales(%)	6.23	12.11	13.34	18.28	<b>21.49</b>
Sundry debtors to Sales(%)	17.37	40.53	50.30	42.75	<b>57.02</b>
Return on Networth(%)	20.95	14.17	12.45	12.10	<b>2.49</b>
Return on Capital Employed(%)	18.24	12.23	11.51	12.20	<b>2.66</b>
Cash Earnings per share(CEPS)(Rs.)	11.23	11.41	10.27	11.27	<b>2.40</b>
Earnings per share(EPS)(Rs.)	7.43	6.77	6.53	7.01	<b>1.45</b>
Book value of the share(Rs.)	35.44	47.77	52.44	57.92	<b>58.07</b>

## INDEPENDENT AUDITORS' REPORT

### To the Members of Astra Microwave Products Limited Report on the audit of the standalone financial statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Astra Microwave Products Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.
3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How our audit addressed the key audit matter:
<p><b>Finance cost recognised on transitioning to Ind AS 115, Revenue from contracts with customers</b> (Refer Note 41 to the standalone financial statements)</p> <p>The Company is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems which involves sale of products and services.</p> <p>Ind AS 115 (Revenue from contracts with customers) is applicable to the Company from April 01, 2018.</p> <p>In applying the guidance specified in Ind AS 115 in respect of certain long term contracts entered into for sale of products, the Company has identified significant financing component in respect of advances received from customers and has recognised finance cost as explained in the aforesaid note.</p> <p>This is a key audit matter as the amount is significant to the financial statements and involves Management evaluation of assumptions and estimates in determining the discount rate and the duration of the project.</p>	<p>Our procedures, in relation to revenue recognition for those contracts, included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls in respect of revenue recognition</li> <li>• Reading the underlying contracts with customers and understanding the nature of advances received</li> <li>• Assessing the appropriateness of information, such as sale orders, and stage of completion of the project including expected completion date, used by the Management, to determine the duration of the project</li> <li>• Evaluating the assumptions used by the Management in calculating the discount rate such as incremental borrowing rate and interest on working capital arrangement in accordance with Ind AS 115.</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions in the finance cost recognized on transitioning to Ind AS 115, Revenue from contracts with customers.</p>

Key audit matter description	How our audit addressed the key audit matter:
<p><b>Appropriateness of the Expected credit loss (“ECL”) provision in respect of trade receivables carried at amortized cost</b></p> <p>(Refer Note 7 and Note 38 to the standalone financial statements)</p> <p>The Company has trade receivables aggregating to Rs. 19,552.99 lakhs as at March 31, 2019, in respect of which the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, and recognises expected lifetime losses from initial recognition of the receivables. The provision for ECL as at March 31, 2019 is Rs. 587.75 lakhs.</p> <p>This is determined as a key audit matter as determination of the ECL provision involved application of judgement by Management in respect of matters such as maximum contractual period of credit risk and probability of credit loss given the large number of aged receivables from government customers.</p>	<p>Our procedures, in relation to testing of ECL provision recognised, included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls in respect of ECL provision for trade receivables carried at amortised cost</li> <li>• Reading of the underlying contracts and invoices, as applicable to understand the nature of trade receivables, and the dates on which the payments fall due</li> <li>• Assessing the appropriateness of the credit loss provisioning methodology used by the Management, which involves the use of historical trends such as cash collection, performance of the current year against historical trends and the level of credit loss over time</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions to the ECL provision recognised in respect of trade receivables carried at amortized cost.</p>

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
  - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. However it did not have any long-term derivative contracts as at March 31, 2019.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sunit Kumar Basu**

Partner

Membership Number 55000

Place: Hyderabad

Date: May 09, 2019

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Astra Microwave Products Limited on the standalone financial statements for the year ended March 31, 2019.

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Astra Microwave Products Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sunit Kumar Basu**

Partner

Membership Number 55000

Place: Hyderabad

Date: May 09, 2019



## Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Astra Microwave Products Limited on the standalone financial statements as of and for the year ended March 31, 2019.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2 on Property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 33 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sunit Kumar Basu**

Partner

Membership Number 55000

Place: Hyderabad

Date: May 09, 2019

## Balance Sheet as at March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	2	17,643.62	19,278.72
Capital work-in-progress		243.39	72.50
Investment in Subsidiaries	3 (a)	763.29	557.46
Investment in Joint Venture	3 (a)	1,625.00	-
Financial assets			
i. Investments	3 (a)	-	0.20
ii. Other financial assets	4	1,288.67	1,703.69
Other non-current assets	5	124.45	65.15
<b>Total non-current assets</b>		<b>21,688.42</b>	<b>21,677.72</b>
<b>Current assets</b>			
Inventories	6	13,043.83	10,376.09
Financial assets			
i. Investments	3 (b)	2,023.46	12,573.31
ii. Trade receivables	7	18,965.24	18,772.78
iii. Cash and cash equivalents	8A	707.53	2,064.46
iv. Other bank balances	8B	1,809.31	833.27
Current tax assets (net)	9	524.67	-
Other current assets	5	2,582.67	1,079.78
<b>Total current assets</b>		<b>39,656.71</b>	<b>45,699.69</b>
<b>Total assets</b>		<b>61,345.13</b>	<b>67,377.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	1,732.23	1,732.23
Other equity	11	48,562.85	48,435.29
<b>Total equity</b>		<b>50,295.08</b>	<b>50,167.52</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	12	475.44	1,426.10
Provisions	13	-	118.60
Deferred tax liabilities (net)	14	471.73	435.67
<b>Total non-current liabilities</b>		<b>947.17</b>	<b>1,980.37</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	15	5.31	2,000.00
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	16(a)	53.95	132.69
(b) total outstanding dues other than micro and small enterprises	16(b)	2,186.88	1,262.70
iii. Other financial liabilities	17	1,133.13	6,580.08
Provisions	13	321.94	472.13
Current tax liabilities (net)	18	-	160.46
Other current liabilities	19(a)	1,271.02	2,271.16
Contract liabilities	19(b)	5,130.65	2,350.30
<b>Total current liabilities</b>		<b>10,102.88</b>	<b>15,229.52</b>
<b>Total liabilities</b>		<b>11,050.05</b>	<b>17,209.89</b>
<b>Total equity and liabilities</b>		<b>61,345.13</b>	<b>67,377.41</b>
Summary of Significant Accounting Policies	1		

The above balance sheet should be read in conjunction with the accompanying notes

This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**M.V REDDY**  
Joint Managing Director  
DIN :- 00421401

**S. GURUNATHA REDDY**  
Managing Director  
DIN :- 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

Place : Hyderabad  
Date : May 09, 2019

## Statement of Profit and Loss for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income :</b>			
Revenue from Operations	20	<b>28,615.77</b>	<b>36,053.70</b>
Other Income	21	<b>2,449.22</b>	834.86
<b>Total Income</b>		<b>31,064.99</b>	36,888.56
<b>Expenses :</b>			
Cost of materials consumed	22	<b>17,488.70</b>	14,289.24
Changes in inventories of finished goods and work-in-progress	23	<b>(1,560.15)</b>	547.73
Excise duty	24	-	365.68
Employees benefits expense	25	<b>6,148.57</b>	6,589.02
Depreciation	26	<b>2,856.52</b>	2,702.84
Other expenses	27	<b>3,560.67</b>	3,308.03
Finance costs	28	<b>895.81</b>	1,192.40
<b>Total Expenses</b>		<b>29,390.12</b>	28,994.94
<b>Profit/(Loss )before tax</b>		<b>1,674.87</b>	7,893.62
<b>Income tax expense</b>			
- Current tax		<b>452.82</b>	1,691.27
- Deferred tax		<b>(31.93)</b>	370.06
- MAT credit		-	(236.75)
<b>Net profit for the year</b>		<b>1,253.98</b>	6,069.04
<b>Other comprehensive income :</b>			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		<b>308.11</b>	73.77
b) Income tax relating to items recognised in other comprehensive income		<b>(107.67)</b>	(25.53)
<b>Total other comprehensive income for the year, net of tax</b>		<b>200.44</b>	48.24
<b>Total comprehensive income for the year</b>		<b>1,454.42</b>	6,117.28
<b>Earnings per equity share</b>			
Basic earnings per share	29	<b>1.45</b>	7.01
Diluted earnings per share		<b>1.45</b>	7.01
Summary of Significant Accounting Policies	1		

The above statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**S. GURUNATHA REDDY**  
Managing Director  
DIN :- 00003828

**M.V REDDY**  
Joint Managing Director  
DIN :- 00421401

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

Place : Hyderabad  
Date : May 09, 2019

## Statement of changes in equity for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### A. Equity Share Capital

Particulars	Notes	Amount
<b>As at April 1, 2017</b>		<b>1,732.23</b>
Changes in equity share capital during the year	10	-
<b>As at March 31, 2018</b>		<b>1,732.23</b>
Changes in equity share capital during the year	10	-
<b>As at March 31, 2019</b>		<b>1,732.23</b>

### B. Other Equity

Particulars	Notes	Reserves and Surplus				Total
		Debenture redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2017</b>		<b>834.00</b>	<b>6,856.20</b>	<b>5,632.80</b>	<b>30,037.45</b>	<b>43,360.45</b>
Profit for the year		-	-	-	6,069.04	6,069.04
Remeasurements of defined benefit plans (net of tax)					48.24	48.24
Transfer to general reserve		-	-	600.00	(600.00)	-
Transfer to debenture redemption reserve		416.00	-	-	(416.00)	-
Dividend paid		-	-	-	(866.12)	(866.12)
Dividend distribution tax paid		-	-	-	(176.32)	(176.32)
<b>Balance as at March 31, 2018</b>		<b>1,250.00</b>	<b>6,856.20</b>	<b>6,232.80</b>	<b>34,096.29</b>	<b>48,435.29</b>
<b>Balance as at March 31, 2018 as originally presented</b>		1,250.00	6,856.20	6,232.80	34,096.29	48,435.29
Change in accounting policy on adoption of Ind AS 115	11				(73.88)	(73.88)
<b>Restated balance as at April 01, 2018</b>		<b>1,250.00</b>	<b>6,856.20</b>	<b>6,232.80</b>	<b>34,022.41</b>	<b>48,361.41</b>
Profit for the year		-	-	-	1,253.98	1,253.98
Remeasurements of defined benefit plans (net of tax)					200.44	200.44
Transfer to general reserve		(1,250.00)	-	-	-	(1,250.00)
Transfer from debenture redemption reserve		-	-	1,250.00	-	1,250.00
Dividend paid		-	-	-	(1,039.34)	(1,039.34)
Dividend distribution tax paid		-	-	-	(213.64)	(213.64)
<b>Balance as at March 31, 2019</b>		<b>-</b>	<b>6,856.20</b>	<b>7,482.80</b>	<b>34,223.85</b>	<b>48,562.85</b>

The above Statement of changes in equity should be read in conjunction with the accompanying notes  
This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**S. GURUNATHA REDDY**  
Managing Director  
DIN :- 00003828

**M.V REDDY**  
Joint Managing Director  
DIN :- 00421401

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

Place : Hyderabad  
Date : May 09, 2019

## Cash Flow statement for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from Operating Activities</b>		
Profit before tax	1,674.87	7,893.62
<b>Adjustments for:</b>		
Depreciation expense	2,856.52	2,702.84
Finance cost	895.81	1,192.40
Interest income	(156.69)	(159.48)
Dividend income	-	(16.12)
(Gain)/loss on sale of investments(net)	(711.77)	(202.80)
(Gain)/loss on fair valuation of financial assets	(78.05)	(337.98)
(Gain)/loss on disposal of property, plant and equipment	(259.63)	0.28
Unrealised exchange (gain)/loss	(47.23)	2.27
Changes in expected credit loss	(6.83)	(35.38)
<b>Operating Profit Before Working Capital Changes</b>	<b>4,167.00</b>	<b>11,039.65</b>
<b>Changes in assets and liabilities:</b>		
(Increase) / Decrease in inventories	(2,667.74)	2,300.91
(Increase) / Decrease in trade receivables	(136.91)	3,179.88
(Increase) / Decrease in other financial assets and Other bank balances	(543.43)	627.52
(Increase) / Decrease in other non-current assets	(61.62)	(14.82)
(Increase) / Decrease in other current assets	(1,502.89)	499.80
Increase/(Decrease) in trade payable	843.92	(534.19)
Increase/(Decrease) in provisions	39.32	149.08
Increase/(Decrease) in other financial liabilities	(65.72)	27.82
Increase/(Decrease) in Contract liabilities	2,224.59	-
Increase/(Decrease) in other current liabilities	(1,000.13)	1,575.25
<b>Cash generated from/(used in) operating activities</b>	<b>1,296.39</b>	<b>18,850.90</b>
Income tax paid	(1,137.95)	(1,417.95)
<b>Net cash generated from/(used in) operating activities</b>	<b>158.44</b>	<b>17,432.95</b>

## Cash Flow statement for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from Investing Activities</b>		
Payments for property, plant and equipment	(1,585.81)	(3,382.92)
Proceeds from sale of property, plant and equipment	301.82	10.20
Purchase of current investments	(22,474.37)	(16,104.47)
Proceeds from sale of current investments	33,814.14	9,807.73
Investment in Equity Shares of Subsidiaries	(205.83)	-
Investment in Equity Shares of Joint ventures	(1,624.90)	-
Proceeds from sale of non-current investments	-	20.00
Dividends received	-	16.12
Interest received	147.25	181.77
<b>Net cash flow/(used in) Investing Activities</b>	<b>8,372.30</b>	<b>(9,451.57)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from long term borrowings	-	1,016.87
Repayment of long term borrowings	(5,950.66)	(919.53)
Proceeds from short term borrowings	2,005.31	7,000.00
Repayment of short term borrowings	(4,000.00)	(10,748.46)
Interest paid	(689.34)	(1,237.01)
Dividend paid	(1,039.34)	(866.12)
Dividend tax paid	(213.64)	(176.32)
<b>Net cash from /(used in) Financing Activities</b>	<b>(9,887.67)</b>	<b>(5,930.57)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash equivalents</b>	<b>(1,356.93)</b>	<b>2,050.81</b>
Cash & Cash Equivalents at the Beginning	2,064.46	13.65
<b>Cash &amp; Cash equivalents at the End</b>	<b>707.53</b>	<b>2,064.46</b>

This is the Cashflow statement referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

Place : Hyderabad  
Date : May 09, 2019

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401

**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Background

Astra Microwave Products Limited was incorporated in 1991 and it got listed under NSE and BSE in the year 1994. The company is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defense, space, meteorology and telecommunication.

### Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Note 1.1 Basis of preparation of financials statements

##### (i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

##### (iii) New and amended standards adopted by the company

- Ind AS 115, Revenue from contracts with customers
- Amendments to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- Appendix B of Ind AS 21 - The Effects of changes in Foreign exchange Rate
- Amendment to Ind AS 12, Income taxes
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 28, Investments in Associates and Joint ventures and Ind AS 112, Disclosure of Interests in other entities

#### Note 1.2 : Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of the assets and liabilities, the disclosure of the contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of these changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### Note 1.3 : Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### **Note 1.4 : Revenue recognition**

##### **(i) Sale of products**

Revenue from sale of products is recognised when the control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns if any at the time of sale. Accumulated experience will be used to estimate and provide for the discounts, using the expected value method, and revenue is recognised only to the extent that it is highly probable that the significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The contract price is adjusted for the finance component where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

##### **(ii) Revenue from sale of services**

The Company provides maintenance services to customers under fixed price contracts. Revenue from sale of services is recognised in the accounting period in which the services are rendered

##### **(iii) Financing component**

The Company recognises significant financing component in the revenue contract where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. The finance component is adjusted to the contract price to arrive at the transaction price to be considered for revenue recognition.

#### **Note 1.5 : Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented with in other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

#### **Note 1.6 : Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **Note 1.7 : Leases**

##### **As a lessee:**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

##### **As a lessor:**

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **Note 1.8 : Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **Note 1.9 : Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **Note 1.10 : Trade receivables**

Trade receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at the fair value. The company holds trade receivables for the receipt of contractual cash flows and therefore measures them subsequently at the amortised cost using effective interest rate method.

**Note 1.11 : Inventories**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Note 1.12 : Investments and other financial assets****i) Classification**

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The company reclassifies debt investments when and only when its business model for managing those assets changes.

**ii) Recognition**

Regular way purchase and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sale the financial assets.

**iii) Measurement**

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### **Equity instruments**

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **iii) Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **iv) Derecognition of financial assets**

A financial asset is derecognized only when

- The company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### **v) Income recognition**

#### **Interest income**

Interest income from the debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

#### **Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

### **Note 1.13 : Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. These derivative contracts are not designated as hedges and are accounted for at fair value through profit or loss and are included in other income.



**Note 1.14 : Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**Note 1.15 : Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation/ amortisation methods, estimated useful lives and residual value**

Depreciation is provided on written down value method considering the useful lives of the assets that have been determined based on technical evaluation done by the management which are in line with the useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of solar power generating plant the management has estimated the useful life as 25 years. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in statement profit and loss under other income.

**Note 1.16 : Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within credit period after recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**Note 1.17 : Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss under other income.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

### **Note 1.18 : Borrowings costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

### **Note 1.19 : Provisions, Contingent Assets and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

### **Note 1.20 : Employee benefits**

#### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of



when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) Defined benefit plans - gratuity; and

(b) Defined contribution plans - provident fund.

a. Defined benefit plans - gratuity

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Asset ceiling will be recognised the present value of any economic benefits available in the form of refunds from the plan or reduces in future contributions in accordance with the terms and conditions of the plan and accordingly recognise the defined benefit assets.

b. Defined contribution plans - provident fund

The company pays provident fund contributions to publicly administered funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Bonus plans**

Company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where contractually obliged or where there is a past practice that has created a constructive obligation.

**Note 1.21 : Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 1.22 : Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the

discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **Note 1.23 : Earnings per share**

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **Note 1.24 : Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director and Chief Operating Officer as chief operating decision makers.

### **Note 1.25 : Research and Development expenditure:**

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

- i) It is technically feasible to complete the project so that it will be available for use
- ii) Management intends to complete the project and use or sell it
- iii) There is an ability to use or sell the project
- iv) It can be demonstrated how the project will generate probable future economic benefits
- v) Adequate technical, financial and other resources to complete the development and to use or sell the project are available and
- vi) The expenditure attributable to the project during its development can be reliably measured.

### **Note 1.26 : Investment in Subsidiaries/Joint ventures**

Investments in subsidiaries and Joint ventures are recognised at cost less impairment if any.

### **Note 1.27 : Standards issued but not yet effective:**

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below.

**Standards issued but not yet effective:** 30 March 2019, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April, 2019:

1. Ind AS 116 will replace the current guidance in Ind AS 17, 'Leases'. Ind AS 116 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Under Ind AS 116 lessees have to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts. This is a significant change compared to Ind AS 17, under which lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). Ind AS 116 gives lessees optional exemptions for certain short-term leases and leases of low-value assets. In the statement of profit and loss lessees will have to present interest expense on the lease liability and depreciation on the right-of-use asset. In the cash flow statement, cash

payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

2. Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. It also provides specific guidance in several areas where previously Ind AS 12 was silent. For example, the appendix specifies how to determine the unit of account and the recognition and measurement guidance to be applied to that unit. The appendix also explains when to reconsider the accounting for a tax uncertainty, and it states specifically that the absence of comment from the tax authority is unlikely, in isolation, to trigger a reassessment.
3. New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
4. Amendment to Ind AS 28, Investments in Associates and Joint Ventures. Investors could have long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture. The amendment clarifies that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28. An illustrative example is also provided in Appendix A of Ind AS 28.

The Company is in the process of assessing the impact of the aforesaid standards issued but not effective as at the balance sheet date.

#### **Note 1.28 : Critical estimates and judgements:**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. The area involving critical estimates or judgements is:

1. Estimation of defined benefit obligation
2. Significant financing component
3. Provision for expected credit loss

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## Notes to financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 2 : Property, Plant and Equipment

Particulars	Gross carrying value					Accumulated depreciation				Net carrying amount	
	As at 1 April 2018	Additions	Deletions / transfers	Adjustments	As at 31 Mar 2019	As at 1 April 2018	For the Year	On disposals	Adjustments	As at 31 Mar 2019	As at 31 Mar 2019
<b>Other than Assets given on lease</b>											
Land	1,986.94	97.68	38.65	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,695.13	20.47	-	-	6,715.60	708.08	565.21	-	-	1,273.29	5,442.31
Plant & Machinery	10,829.17	867.05	0.07	-	11,696.15	2,654.30	1,538.65	0.03	-	4,192.92	7,503.23
Electrical Installations	311.32	28.77	-	-	340.09	75.74	63.73	-	-	139.47	200.62
Solar Power Plant	669.19	-	-	-	669.19	140.61	59.60	-	-	200.21	468.98
Air Conditioners	427.71	5.36	-	-	433.07	122.88	78.43	-	-	201.31	231.76
Office Equipment	265.37	39.00	0.13	-	304.24	92.86	85.88	0.02	-	178.72	125.52
Furniture & Fixtures	340.19	13.64	-	-	353.83	123.26	55.59	-	-	178.85	174.98
Computers	922.39	141.62	-	-	1,064.01	662.88	194.72	-	-	857.60	206.41
Vehicles	79.71	50.01	8.81	-	120.91	4.67	28.83	5.43	-	28.07	92.84
Wind Electric Generator	1,245.47	-	-	-	1,245.47	297.00	120.78	-	-	417.78	827.69
<b>Assets given on lease:</b>											
Buildings	88.52	-	-	-	88.52	15.89	6.84	-	-	22.73	65.79
Plant & Machinery	447.08	-	-	-	447.08	135.80	57.07	-	-	192.87	254.21
Electrical Installations	2.66	-	-	-	2.66	1.29	0.39	-	-	1.68	0.98
Air Conditioners	0.24	-	-	-	0.24	0.12	0.04	-	-	0.16	0.08
Office Equipment	0.15	-	-	-	0.15	0.10	-	-	-	0.10	0.05
Computers	0.30	-	-	-	0.30	0.08	0.01	-	-	0.09	0.21
Furniture & Fixtures	5.19	-	-	-	5.19	2.45	0.75	-	-	3.20	1.99
<b>Total</b>	<b>24,316.73</b>	<b>1,263.60</b>	<b>47.66</b>	<b>-</b>	<b>25,532.67</b>	<b>5,038.01</b>	<b>2,856.52</b>	<b>5.48</b>	<b>-</b>	<b>7,889.05</b>	<b>17,643.62</b>
<b>Capital work-in-progress</b>	<b>72.50</b>	<b>327.57</b>	<b>156.68</b>	<b>-</b>	<b>243.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243.39</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 2 : Property, Plant and Equipment**

Particulars	Gross carrying value					Accumulated depreciation					Net carrying amount
	As at 1 April 2017	Additions	Deletions / transfers	Adjustments*	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	Adjustments	As at 31 March 2018	As at 31 March 2018
Other than Assets given on lease											
Land	1,901.60	85.34	-	-	1,986.94	-	-	-	-	-	1,986.94
Buildings	2,827.19	3,867.94	-	-	6,695.13	248.84	459.24	-	-	708.08	5,987.05
Plant & Machinery	8,632.33	2,320.20	19.54	(103.82)	10,829.17	1,284.50	1,388.51	17.06	(1.65)	2,654.30	8,174.87
Electrical Installations	125.67	185.65	-	-	311.32	26.10	49.64	-	-	75.74	235.58
Solar Power Plant	660.66	8.53	-	-	669.19	74.49	66.12	-	-	140.61	528.58
Air Conditioners	183.22	244.49	-	-	427.71	47.08	75.80	-	-	122.88	304.83
Office Equipment	71.84	193.53	-	-	265.37	24.55	68.31	-	-	92.86	172.51
Furniture & Fixtures	268.05	73.03	0.89	-	340.19	60.04	63.74	0.52	-	123.26	216.93
Computers	713.95	208.44	-	-	922.39	377.58	285.30	-	-	662.88	259.51
Vehicles	92.65	31.90	44.84	-	79.71	13.72	28.15	37.20	-	4.67	75.04
Wind Electric Generator	1,245.47	-	-	-	1,245.47	158.60	138.40	-	-	297.00	948.47
Assets given on lease:											
Buildings	88.52	-	-	-	88.52	8.34	7.55	-	-	15.89	72.63
Plant & Machinery	343.26	-	-	103.82	447.08	63.74	70.41	-	1.65	135.80	311.28
Electrical Installations	2.66	-	-	-	2.66	0.75	0.54	-	-	1.29	1.37
Air Conditioners	0.24	-	-	-	0.24	0.07	0.05	-	-	0.12	0.12
Office Equipment	0.15	-	-	-	0.15	0.08	0.02	-	-	0.10	0.05
Computers	0.30	-	-	-	0.30	0.05	0.03	-	-	0.08	0.22
Furniture & Fixtures	5.19	-	-	-	5.19	1.42	1.03	-	-	2.45	2.74
Total	17,162.95	7,219.05	65.27	-	24,316.73	2,389.95	2,702.84	54.78	-	5,038.01	19,278.72
Capital work-in-progress	3,720.20	1,994.04	5,641.74	-	72.50	-	-	-	-	-	72.50

\* Represents assets given on lease during the previous year.

Refer note no. 33 for Capital commitments of the company

Refer note no. 35 for the Assets pledged as security

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 3 (a): Investments**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>A. Non-current investments (Refer Note a below)</b>		
<b>Investment carried at cost</b>		
(i) Equity instruments of Subsidiaries (unquoted)	763.29	557.46
(ii) Equity instruments of Joint venture (unquoted)	1,625.00	-
<b>Investment carried at fair value through profit and loss</b>		
(i) Equity instruments of Others (unquoted)	-	0.20
<b>Total</b>	<b>2,388.29</b>	<b>557.66</b>

**Note 3(b): Investments**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>B. Current investments (Refer Note b below)</b>		
<b>Investment carried at fair value through profit and loss</b>		
Investments in Mutual Funds (quoted)	2,023.46	12,573.31
<b>Total</b>	<b>2,023.46</b>	<b>12,573.31</b>

**Note a: Details of non-current investments**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Investments carried at cost</b>		
<b>(i) Equity instruments of Subsidiaries (unquoted)</b>		
Bhavyabhanu Electronics Private Limited	209.88	209.88
175,998 (2018 : 175,998 ) equity shares of Rs.10/- each fully paid up		
AELIUS Semiconductors Pte. Ltd. Singapore	552.41	346.58
111,700 (2018 : 71,700 ) equity shares of SGD 10 each fully paid up		
Astra Foundation	1.00	1.00
9,990 (2018 : 9,990 ) equity shares of Rs.10/- each fully paid up		
<b>(ii) Equity instruments of Joint venture (unquoted)</b>		
<b>Astra Rafael Comsys Private Limited (Joint Venture w.e.f June 18, 2018)</b>	<b>1,625.00</b>	<b>-</b>
16,250,000 (2018 : 1,000 ) equity shares of Rs. 10/- each fully paid up		
<b>Investment carried at fair value through profit and loss</b>		
<b>Equity instruments of Others (unquoted)</b>		
Astra Rafael Comsys Private Limited (treated as investment in Joint venture w.e.f June 18, 2018)	-	0.10
16,250,000 (2018 : 1,000 ) equity shares of Rs. 10/- each fully paid up		
Astra UBS Technologies Private Limited	-	0.10
Nil (2018 : 1,000 ) equity shares of Rs. 10/- each fully paid up		
<b>Total</b>	<b>2,388.29</b>	<b>557.66</b>
<b>Aggregate book value of unquoted investments</b>	<b>2,388.29</b>	<b>557.66</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note b: Details of current investments**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Investments in Mutual Funds (quoted)</b>		
a) Nil (2018 : 7,377,215.47) Units of HDFC Floating Rate Debt Fund - Direct Plan - Wholesale Option - Growth Option	-	2,241.37
b) 3,739,927.24 (2018 : 2,310,666 )Units of SBI Credit Risk Fund - Regular Plan - Growth	1,117.03	645.41
c) 234,894.52 (2018 - Nil) Units of SBI Magnum Income Fund - Regular Plan - Growth	105.62	-
d) Nil (2018: 27,774.83) units of HDFC Cash Management Fund - Savings Plan- Growth Option	-	1,006.68
e) 21,771.21, (2018: 74,946.70) units of HDFC Liquid Fund - Direct Plan- Growth Option	800.81	2,566.08
f) Nil (2018 : 133,913.03 ) units of SBI Premier Liquid- Regular Plan- Growth Option	-	3,636.53
g) Nil, (2018 : 6,523,789.43) units of HDFC Low duration Fund -Direct plan-Retail growth.	-	2,477.24
<b>Total current investment</b>	<b>2,023.46</b>	<b>12,573.31</b>
<b>Aggregate of quoted current investments and market value thereof</b>	<b>2,023.46</b>	<b>12,573.31</b>
<b>Aggregate book value of unquoted investments</b>	<b>2,388.29</b>	<b>557.66</b>
<b>Aggregate book value and market value of quoted investments</b>	<b>2,023.46</b>	<b>12,573.31</b>
<b>Impairment of Investments recognised</b>	<b>Nil</b>	<b>Nil</b>

**Note 4 : Other financial asset**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Non-current, carried at amortised cost</b>		
<b>Unsecured, considered good</b>		
Security deposits	118.84	104.64
<b>Margin money deposits against guarantees</b>		
- maturity period of more than 12 months	1,169.83	1,599.05
<b>Total other financial assets</b>	<b>1,288.67</b>	<b>1,703.69</b>



**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 5 : Other assets**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Unsecured, considered good</b>		
<b>Non-current</b>		
Capital advances	2.34	4.66
Prepaid expenses	122.11	60.49
<b>Total non-current assets</b>	<b>124.45</b>	<b>65.15</b>
<b>Unsecured, considered good</b>		
<b>Current:</b>		
Prepaid expenses	259.12	221.44
Balance with government authorities	71.77	200.26
Amount receivable from Related parties (Refer note 30)	781.27	170.16
Employee benefits - gratuity, net*	64.91	-
Advance to suppliers	1,405.60	487.92
<b>Total current assets</b>	<b>2,582.67</b>	<b>1,079.78</b>

\*Refer Note 31 (c)

**Note 6 : Inventories**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Raw materials	6,088.04	4,977.06
Packing material	11.79	15.18
Work-in-progress	6,849.54	5,315.94
Finished goods	94.46	67.91
<b>Total</b>	<b>13,043.83</b>	<b>10,376.09</b>

Raw materials (include good-in-transit INR 151.68 lakhs, 2018 : INR 37.01 lakhs)

Write downs of inventories to net realisable value amounted to INR 53.37 lakhs (2018 :INR 67.83 lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

**Note 7 : Trade receivables**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Trade receivables</b>		
Unsecured, considered good *	18,965.24	18,772.78
Credit impaired	587.75	594.58
Less: Allowance for doubtful debts	(587.75)	(594.58)
<b>Total</b>	<b>18,965.24</b>	<b>18,772.78</b>

\* Includes dues from subsidiaries aggregating to INR 14.97 lakhs (2018: INR 16.08 lakhs). Refer note 30

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 8 : Cash and Bank Balances****Note 8A: Cash and Cash Equivalents**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Balances with Banks		
in current accounts	705.33	863.03
in deposit accounts	-	1,200.00
Cash on hand	2.20	1.43
<b>Total</b>	<b>707.53</b>	<b>2,064.46</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods

**NOTE 8B: Other Bank balances**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Bank deposit	-	750.00
<b>Margin money deposit</b>	<b>1,717.89</b>	<b>-</b>
Earmarked balances with banks :		
<b>Unpaid dividend account</b>	<b>91.42</b>	<b>83.27</b>
<b>Total</b>	<b>1,809.31</b>	<b>833.27</b>

Margin money deposit above includes Fixed Deposits under lien amounting to INR 332.00 lakhs(2018: INR Nil)

**Note 9: Current tax assets (net)**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Advance income tax (net of provision for income tax of INR 434.04 Lakhs (2018 : INR Nil))	524.67	-
<b>Total</b>	<b>524.67</b>	<b>-</b>

**Note 10: Equity share capital**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Authorised share capital:</b>		
150,000,000 (2018 : 150,000,000 ) equity shares of Rs. 2/- each	3,000.00	3,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued and subscribed capital:</b>		
86,611,675 (2018 : 86,611,675) equity shares of Rs. 2/- each fully paid	1,732.23	1,732.23
<b>Total</b>	<b>1,732.23</b>	<b>1,732.23</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**(a) Details of shares held by each shareholder holding more than 5% shares in the company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% holding of equity shares	Number of shares held	% holding of equity shares
HDFC Trustee Company Limited	-	-	77,93,394	8.99%
Ratnabali Investment Pvt.Ltd.,	46,34,272	5.35%	-	-
Tarish Investment and Trading Co.	-	-	50,47,962	5.83%
Sundaram Mutual Fund	47,89,398	5.53%	47,89,398	5.53%

**(b) Movement in equity share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	8,66,11,675	1,732.23	8,66,11,675	1,732.23
Add: Number of shares issued and subscribed during the year	-	-	-	-
<b>At the end of the year</b>	<b>8,66,11,675</b>	<b>1,732.23</b>	<b>8,66,11,675</b>	<b>1,732.23</b>

**(c) Terms and rights attached to equity shares:**

The company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

**Note 11: Other equity**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Reserves and surplus:</b>		
General reserve	7,482.80	6,232.80
Securities premium reserve	6,856.20	6,856.20
Debenture redemption reserve	-	1,250.00
Retained earnings	34,223.85	34,096.29
<b>Total</b>	<b>48,562.85</b>	<b>48,435.29</b>

General Reserve	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Opening balance	6,232.80	5,632.80
Transferred from Debenture Redemption Reserve	1,250.00	-
Transferred from Surplus in statement of Profit and loss	-	600.00
<b>Closing balance</b>	<b>7,482.80</b>	<b>6,232.80</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

<b>Securities premium reserve</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
Opening balance	6,856.20	6,856.20
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>6,856.20</b>	<b>6,856.20</b>

<b>Debenture Redemption Reserve</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
Opening balance	1,250.00	834.00
Transferred to General Reserve on Redemption	(1,250.00)	-
Appropriation - Transferred from retained earnings	-	416.00
<b>Closing balance</b>	<b>-</b>	<b>1,250.00</b>

<b>Retained earnings</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
Opening balance	34,096.29	30,037.45
Impact of application of Ind AS 115 (Refer Note 41)	(73.88)	-
Add: Net profit for the year	1,253.98	6,069.04
Add: Remeasurements of defined benefit plans (net of tax)	200.44	48.24
Less: Appropriations		
Transfer to general reserve	-	(600.00)
Transfer to debenture redemption reserve	-	(416.00)
Dividend paid	(1,039.34)	(866.12)
Dividend Tax paid	(213.64)	(176.32)
<b>Closing balance</b>	<b>34,223.85</b>	<b>34,096.29</b>

**Nature and purpose of reserves****Securities premium reserves:**

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

**Debenture redemption reserve:**

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

**General reserve:**

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

**Note 12 : Non-current borrowings**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
<b>Secured</b>		
Term Loan from banks		
a. Loan from HDFC Bank	475.44	1,426.10
<b>Total non-current borrowings</b>	<b>475.44</b>	<b>1,426.10</b>

## Notes to financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Refer note 17 for current maturities of non-current borrowings.

Refer note no. 35 for the assets pledged as security

### Nature of security:

#### Term Loans

- a. Term loan from HDFC Bank is secured by First exclusive charge on the Fixed Assets funded by this term loan. Second pari passu charge on entire unencumbered fixed assets of the company along with term lenders. Pari Passu second charge on all chargeable current assets of the company along with other term lenders and personal guarantee of the former Managing Director and former Chief Operating Officer who are also founders of the Company.
- b. Aggregate amount of loans Guaranteed by former Managing Director and former Chief Operating Officer who are also founders of the Company is INR 1426.10 lakhs (2018 : INR 2,376.76 lakhs).

### Terms of repayment:

- i) Term loan from HDFC bank is repayable in 12 quarterly instalments starting after one year from the date of first disbursement (date of first drawdown was June 5, 2017) along with an interest as mutually agreed with the bank payable on a monthly basis. Interest rates are normally reset on an yearly basis. Present rate of interest is in the range of 9.24% to 9.65%.

### Note 13 : Provisions\*

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Non-current</b>		
Provision for gratuity	-	118.60
<b>Total non-current provisions</b>	-	118.60
<b>Current</b>		
Provision for compensated absences	321.94	347.42
Provision for gratuity	-	124.71
<b>Total current provisions</b>	321.94	472.13

\*Refer note 31

### Note 14 : Deferred tax liabilities (net)

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Deferred tax Liabilities	1,493.80	2,028.54
Deferred tax Assets	(1,022.07)	(1,592.87)
<b>Deferred tax liabilities (net)</b>	471.73	435.67

2018-19	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
Deferred tax liabilities/(assets) in relation to Depreciation	1,829.75	(379.09)	-	-	1,450.66
On Fair value gain of Mutual funds	198.79	(155.65)	-	-	43.14
<b>Deferred tax liabilities</b>	<b>2,028.54</b>	<b>(534.74)</b>	-	-	<b>1,493.80</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Provision for gratuity	(85.03)	(22.64)	107.67	-	-
Provision for Leave Encashment	(121.40)	15.26	-	-	(106.14)
Provision for Leave travel allowance	(117.20)	117.20	-	-	-
Deferred revenue	-	(114.95)	-	(39.68)	(154.63)
Provision for Expected credit loss	(207.77)	(9.38)	-	-	(217.15)
Indexation benefit on land	(327.99)	(2.69)	-	-	(330.68)
MAT Credit entitlement	(733.48)	520.01	-	-	(213.47)
<b>Deferred tax assets</b>	<b>(1,592.87)</b>	<b>502.81</b>	<b>107.67</b>	<b>(39.68)</b>	<b>(1,022.07)</b>
<b>Net Deferred tax liabilities</b>	<b>435.67</b>	<b>(31.93)</b>	<b>107.67</b>	<b>(39.68)</b>	<b>471.73</b>

<b>2017-18</b>	<b>Opening Balance</b>	<b>Recognised in profit or loss</b>	<b>Recognised in Other comprehensive income</b>	<b>Recognised in equity</b>	<b>Closing balance</b>
Deferred tax liabilities/(assets) in relation to Depreciation	1,358.67	471.08	-	-	1,829.75
On Fair value gain of Mutual funds	79.91	118.88	-	-	198.79
<b>Deferred tax liabilities</b>	<b>1,438.58</b>	<b>589.96</b>	-	-	<b>2,028.54</b>
Provision for gratuity	(75.17)	(35.39)	25.53	-	(85.03)
Provision for Leave Encashment	(77.68)	(43.72)	-	-	(121.40)
Provision for Leave travel allowance	-	(117.20)	-	-	(117.20)
Provision for Expected credit loss	(218.01)	10.24	-	-	(207.77)
Indexation benefit on land	(294.16)	(33.83)	-	-	(327.99)
MAT Credit entitlement	(496.73)	(236.75)	-	-	(733.48)
<b>Deferred tax assets</b>	<b>(1,161.75)</b>	<b>(456.65)</b>	<b>25.53</b>	-	<b>(1,592.87)</b>
<b>Net Deferred tax liabilities</b>	<b>276.83</b>	<b>133.31</b>	<b>25.53</b>	-	<b>435.67</b>

**Note 15: Current Borrowings**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
<b>Secured</b>		
<b>From banks</b>		
<b>Working Capital</b>		
HDFC Bank	-	2,000.00
<b>Bank Overdraft</b>		
HDFC Bank	5.31	-
<b>Total</b>	<b>5.31</b>	<b>2,000.00</b>

Refer note no. 35 for the assets pledged as security

**Nature of security:****Prime Security:**

Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other working capital lenders

## Notes to financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Collateral Security:

Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) along with other working capital lenders, including equitable mortgage of company's properties offered as collateral security and Pari Passu second charge on the fixed assets of the company funded by other term lenders.

### Personal Guarantee:

Personal Guarantee of the former Managing Director and former Chief Operating officer who are also founders of the Company.

### Terms of repayment:

- i) Working capital Loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.
- ii) Interest rates are normally reset on an yearly basis. Present rate of interest is 8.25%.
- iii) Working capital demand loans(bank over draft) are repayable on demand and the interest rate for these loans are in the range of 9.25% to 11.45%.

### Note 16(a): Trade Payables : Dues to Micro and Small enterprises

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Dues to micro enterprises and small enterprises (Refer below)	53.95	132.69
<b>Total</b>	<b>53.95</b>	<b>132.69</b>

### Note 16(b): Trade Payables : Dues to Other than Micro and Small enterprises

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Trade Payables : Others	2,186.88	1,262.70
<b>Total</b>	<b>2,186.88</b>	<b>1,262.70</b>

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	53.95	132.69
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-



**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 17: Other financial liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Current maturities of long term debt (Including non-convertible, redeemable debentures. Refer note 12 above)	950.66	5,940.22
Unpaid Dividend	91.42	83.27
Interest accrued	11.67	257.85
Capital creditors	61.27	214.91
Retention monies	18.11	83.83
<b>Total</b>	<b>1,133.13</b>	<b>6,580.08</b>

**Debentures**

The 10.58% non-convertible, redeemable debentures was secured by First Pari Passu charge over movable property/Fixed Assets of the Company both present and future other than those Assets that are exclusively charged and any other security as mutually agreed between NCD holder and the Issuer.

Non-cumulative debentures were redeemed 50% in April 2018 and balance 50% redeemed in October 2018.

**Note 18: Current tax liabilities (net)**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Provision for income tax (net of advance tax of Rs. Nil, 2018: Rs. 1,530.82)	-	160.46
<b>Total</b>	<b>-</b>	<b>160.46</b>

**Note 19(a): Other current liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Payroll taxes payable	51.52	142.26
Statutory taxes payable	399.91	854.32
Employee benefits payable	819.59	1,274.58
<b>Total</b>	<b>1,271.02</b>	<b>2,271.16</b>

**Note 19(b): Contract liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Current</b>		
Deferred Revenue	5,130.65	2,350.30
<b>Total</b>	<b>5,130.65</b>	<b>2,350.30</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Movement of Contract liabilities**

Particulars	Amount
<b>Opening balance of contract liabilities originally reported</b>	<b>2,350.30</b>
Interest accrued on Advances from customers	113.56
<b>Restated opening balance of contract liabilities</b>	<b>2,463.86</b>
Received during the year	6,120.48
Released to revenue during the year	(3,895.89)
Interest accrued on contract liabilities	442.20
<b>Closing balance of contract liabilities</b>	<b>5,130.65</b>

**Revenue recognised in relation to contract liabilities**

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities.

Particulars	As at
	March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period	
Deferred revenue	3,186.56
<b>Total</b>	<b>3,186.56</b>

**Note 20: Revenue from Operations**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Sale of Products (including excise duty)	25,753.55	34,579.44
Sale of Services	2,580.84	1,278.31
Other Operating Revenue	281.38	195.95
<b>Total</b>	<b>28,615.77</b>	<b>36,053.70</b>

Refer Note 41 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115

**Unsatisfied long-term contracts:**

The following table show unsatisfied performance obligations resulting from fixed price long term Sale of Products.

Particulars	Year ended
	March 31, 2019
Aggregate amount of the transaction price allocated to long term Sale of Products	117,166.89

The aggregate amount of transaction price allocated to unsatisfied performance obligations represents the open orders which are not yet delivered and the entity will recognise this revenue as the goods are delivered or services are rendered, which is expected to occur over the next 24 months.

**Reconciliation of revenue recognised with contract price:**

Particulars	Year ended
	March 31, 2019
<b>Contract price</b>	<b>28,221.13</b>
Adjustment for:	
Financing component	113.26
<b>Revenue from contract with customers</b>	<b>28,334.39</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Critical Judgements in recognising revenue**

The Company has considered that the advances received from the customers more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the company adjusted the transaction price to reflect the finance component from such customer advances.

**Note 21: Other Income**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Interest income from financial assets at amortised cost	156.69	159.48
Dividend income	-	16.12
Export incentives	1,079.07	59.22
Net gain/(loss) on disposal of property, plant and equipment	259.63	(0.28)
Net gain on financial assets mandatorily measured at fair value through profit or loss (Mutual Funds)	78.05	337.98
Net gain/(loss) on sale of current investments(Mutual Funds)	711.77	208.80
Loss on disposal of non-current investments	-	(6.00)
Miscellaneous Receipts	157.18	24.16
Changes in expected credit loss in receivables	6.83	35.38
<b>Total</b>	<b>2,449.22</b>	<b>834.86</b>

**Note 22: Cost of materials consumed**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Raw materials at the beginning of the year	4,977.06	6,726.47
Add: Purchases	18,599.68	12,539.83
Less: Raw materials at the end of the year	(6,088.04)	(4,977.06)
<b>Total</b>	<b>17,488.70</b>	<b>14,289.24</b>

**Note 23: Changes in inventories of finished goods and work-in-progress**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Opening Balance:</b>		
Finished goods	67.91	133.66
Work-in-progress	5,315.94	5,797.92
<b>Total(A)</b>	<b>5,383.85</b>	<b>5,931.58</b>
<b>Closing Balance:</b>		
Finished goods	94.46	67.91
Work-in-progress	6,849.54	5,315.94
<b>Total(B)</b>	<b>6,944.00</b>	<b>5,383.85</b>
<b>Changes in inventories of finished goods and work-in-progress (A)-(B)</b>	<b>(1,560.15)</b>	<b>547.73</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 24: Excise duty**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Excise duty	-	365.68
<b>Total</b>	<b>-</b>	<b>365.68</b>

**Note 25: Employee benefit expenses**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Salaries, wages and bonus	5,529.31	5,529.84
Contribution to Provident Fund	238.58	237.83
Contribution to Employee State Insurance	28.94	33.67
Gratuity	87.26	199.75
Leave encashment	87.96	270.53
Staff welfare expenses	176.52	317.40
<b>Total</b>	<b>6,148.57</b>	<b>6,589.02</b>

**Note 26: Depreciation expense**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Depreciation of property, plant and equipment	2,856.52	2,702.84
<b>Total</b>	<b>2,856.52</b>	<b>2,702.84</b>

**Note 27: Other expenses**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Power and fuel	277.55	290.00
Repairs and maintenance		
Plant and machinery	406.22	446.39
Buildings	37.41	33.15
Computers	219.42	216.14
Others	326.80	271.14
Travelling and conveyance	556.03	535.00
Printing and stationery	43.20	54.40
Telephone and communication charges	66.54	71.10
Operating lease rent	40.32	61.42
Insurance	74.20	70.99
Rates and taxes	58.29	66.31
Legal and professional fees	331.20	152.78
Auditors Remuneration (Refer note 27 (a))	20.00	19.50

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Business promotion expenses	207.91	156.66
Donations*	2.30	2.00
Corporate social responsibility expenditure	150.09	151.21
Security charges	126.85	121.66
Payments to non-executive directors	22.10	50.30
Bank charges and commission	355.69	259.10
Selling and distribution expenses	88.53	60.25
Foreign exchange fluctuations	25.19	41.64
Miscellaneous expenses	124.83	176.89
<b>Total</b>	<b>3,560.67</b>	<b>3,308.03</b>

\* Donations above include INR 1.25 lakhs (2018 - INR 1 lakhs) paid to the Communist Party of India (Marxist) and INR Nil (2018 - INR 1 lakhs) paid to Communist Party of India.

**Note 27(a): Auditors Remuneration**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>(a) To statutory auditors</b>		
Statutory Audit fee (including fees for quarterly reviews)	15.00	15.00
Fees for other services	5.00	4.50
<b>Total</b>	<b>20.00</b>	<b>19.50</b>

**Note 27(b): Corporate Social Responsibility expenditure**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Amount required to be spent as per Section 135 of the Act	149.05	150.45
Amount spent during the year on :		
1. Construction/ acquisition of any assets		
2. On Purposes other than (1) above*	150.09	151.21

\* Includes 2019 : INR 19.50 lakhs (2018 - INR 6.50 lakhs) contributed to Astra Foundation. Refer note 30

**Note 27(c) : Reconciliation of tax expenses and accounting profit multiplied by tax rate:**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Profit before income tax expense	1,674.87	7,893.62
Income tax rate	34.94%	34.61%
<b>Income tax expense</b>	<b>585.27</b>	<b>2,731.82</b>
Tax effect on amounts which are not taxable in calculating taxable income:		
i) Effect of tax on disallowed expenses	140.62	532.54
<b>Additional tax credits</b>		
ii) Effect of weighted deduction on research and development expenditure	(305.00)	(1,439.78)
<b>Income tax recognised in statement of profit and loss</b>	<b>420.89</b>	<b>1,824.58</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 28: Finance cost**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Interest expense</b>		
On term loans	183.93	259.90
On working capital loans	72.43	337.85
On debentures	197.25	578.59
Interest on delayed payment of income tax	-	16.06
Interest on advances received from customers	442.20	-
<b>Total</b>	<b>895.81</b>	<b>1,192.40</b>

**Net Debt Reconciliation**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Net opening debt	9,366.32	13,091.98
Proceeds from long term borrowings	-	1,016.87
Repayment of long term borrowings	(5,950.66)	(919.53)
Proceeds from short term borrowings	2,005.31	7,000.00
Repayment of short term borrowings	(4,000.00)	(10,748.46)
Other adjustments including Amortisation of Processing charges on borrowings	22.11	(74.54)
Net closing debt	1,443.08	9,366.32

**Note 29: Earnings per share**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Profit after tax	1,253.98	6,069.04
<b>Basic:</b>		
Weighted average number of equity shares	86,611,675	86,611,675
Earnings per share (Rs.)	1.45	7.01
<b>Diluted:</b>		
Earnings per share (Rs.)	1.45	7.01

Note: EPS is calculated based on profits excluding the other comprehensive income

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 30: Related party disclosures****A. List of Related Parties:**

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
Traana Technologies Private Limited	Associate till February 27, 2018
Bhavyabhanu Electronics Private Limited	Subsidiary
Aelius Semiconductors Pte. Ltd., Singapore	Subsidiary
Astra Foundation (Section 8 Company)	Subsidiary
Astra UBS Technologies Private Limited	Company in which KMP have control-Closed w.e.f. January 24, 2019
Astra Rafael Comsys Private Limited	Company in which KMP have control till June 17, 2018, Joint Venture Company w.e.f June 18, 2018
Astra Infonets Limited	Company where relative of a director is a director
Mr. S. Krishna Reddy	Relative of a director
<b>Key managerial persons (KMP):</b>	
Mr. B. Malla Reddy,	Managing Director - Resigned w.e.f. March 31, 2019
Mr. P.A. Chitrakar,	Chief Operating Officer-Resigned w.e.f. March 31, 2019
Mrs. C. Prameelamma,	Director (Technical)-Resigned w.e.f. March 31, 2019
Mr. S. Gurunatha Reddy,	Whole-Time Director and CFO- Appointed as M.D.w.e.f. April 01, 2019
Mr. M. Venkateshwar Reddy,	Director - Marketing & Operations-Appointed as Joint M.D. w.e.f. April 01, 2019
Dr. Shibani K. Koul,	Non-executive Director-Retired w.e.f. March 31, 2019
Mr. T. Ramachandru,	Non-executive Director-Resigned w.e.f. March 22, 2019
Mr. Arun Kumar Tiwari	Non-executive Director-Resigned w.e.f. October 13, 2017
Mr. V. V. R. Sastry	Chairman - Audit Committee and Non- executive Director
Mr. B. L. N. Raju	Non-executive Director
Dr. Avinash Chander	Non-executive Director - Appointed as Chairman of the Board w.e.f. April 01, 2019
Mr. Sunil Kumar Sharma	Additional director-Independent Director w.e.f March 22, 2019
Mr. T. Anjaneyulu	Company Secretary



**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**B. Details of outstanding balances as at the year end receivable/(payable):**

Name of the related parties	Nature of transactions / balance	As at	
		March 31, 2019	March 31, 2018
Bhavyabhanu Electronics Private Limited	Investment in equity shares	209.88	209.88
	Advance to subsidiary company for supply of materials	781.27	170.16
	Amount receivable from subsidiary company against sales of goods	-	0.02
	Value of Corporate guarantee given for borrowings	2,000.00	2,000.00
Aelius Semiconductors Pte. Ltd., Singapore	Investment in equity shares	552.41	346.58
	Amount payable to subsidiary company against purchases of materials	-	7.66
	Amount receivable from subsidiary company against sales of goods	14.97	16.06
Astra Foundation	Investment in Shares	1.00	1.00
Astra UBS Technologies Private Limited- Company Closed during the year 18-19	Investment in Shares	-	0.10
Astra Rafael Comsys Private Limited	Rent Receivable	0.66	-
	Investment in Shares	1,625.00	0.10

**C. Details of transactions during the year:**

Name of the related parties	Nature of transactions / balance	Year End	
		March 31, 2019	March 31, 2018
Bhavyabhanu Electronics Private Limited	Purchase of Raw materials / Job Work Charges	525.49	987.29
	Sale of goods	2.03	0.02
	Reimbursement of expenses paid by the Company on behalf of the subsidiary	38.17	39.87
	Rent Received	62.16	62.96
Aelius Semiconductors Pte. Ltd., Singapore	Investment in Shares	205.84	-
	Purchase of material	3.87	7.61
	Sales of goods	17.71	34.15
	Royalty received	13.16	-
Astra Foundation	Amount paid to Astra Foundation towards CSR Expenditure	19.50	6.50

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Astra Rafael Comsys Systems Pvt. Ltd	Investment in Shares	1,624.90	-
	Amount received from ARC for sale of Land	331.66	-
	Professional charges received from ARC	69.66	-
	Rent Received	5.40	-
	Joint Venture Expenses Reimbursed to ARC	11.03	-
Traana Technologies Private Limited	Purchase of materials	-	20.00
	Sale of investments	-	20.00
Astra Infonets Limited	Rent Paid	29.26	28.92
Mr. B. Malla Reddy	Director's remuneration	116.98	124.27
Mr. P.A. Chitrakar	Director's remuneration	86.51	123.49
Mrs. C. Prameelamma	Director's remuneration	99.06	124.06
Mr. S. Gurunatha Reddy	Director's remuneration	67.45	88.17
Mr. M. Venkateshwar Reddy	Director's remuneration	55.49	92.43
Dr. Shibani K. Koul	Payments to non-executive directors	4.45	10.75
Mr. T. Ramachandru	Payments to non-executive directors	4.25	10.60
Mr. Arun Kumar Tiwari	Payments to non-executive directors	-	5.30
Mr. V. V. R. Sastry	Payments to non-executive directors	4.45	10.75
Mr. B. L. N. Raju	Payments to non-executive directors	4.30	10.75
Dr. Avinash Chander	Payments to non-executive directors	4.45	2.15
Mr. Sunil Kumar Sharma	Payments to non-executive directors	0.20	-
Mr. S. Krishna Reddy	Remuneration to relative of a director	19.63	17.49
Mr. T. Anjaneyulu	Company secretary's remuneration	15.50	14.81

**Note 31: Employee benefit Obligations****a) Leave obligations**

The leave obligation covers the Company's liability for sick and earned leave. Refer Note-13, for details of provision made in this regard.

**b) Defined Contribution Plan**

The Company has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined such plan for the financial year 2018-19 is INR 238.58 lakhs and for the financial year 2017-18 is INR 237.83 lakhs.

**c) Defined Benefit Plans:****Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the company gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Defined benefit plans – as per actuarial valuation on March 31, 2019****i. Expense recognised in the Statement of Profit and Loss for the year ended March 31, :**

Particulars	Funded Plan	
	Gratuity	
	March 31, 2019	March 31, 2018
	Amount	Amount
1. Current service cost	70.81	183.76
2. Past Service Credit		
3. Interest cost (net)	16.45	15.99
<b>Total expense/(gain) recognised in P&amp;L</b>	<b>87.26</b>	<b>199.75</b>

**ii. Included in other Comprehensive Income**

Particulars	March 31, 2019	March 31, 2018
	Amount	Amount
1. Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	31.01	-
- Financial Assumptions	8.03	(73.56)
- Experience Adjustments	(347.15)	(0.21)
<b>Total expense/(gain) recognised in OCI</b>	<b>(308.11)</b>	<b>(73.77)</b>

**iii. Net Liability/(Asset) recognised in the Balance Sheet as at 31st March**

Particulars	March 31, 2019	March 31, 2018
	Amount	Amount
1. Present value of defined benefit obligation as at 31st March	675.81	875.89
2. Fair value of plan assets as at 31st March	740.72	632.58
3. (Surplus)/Deficit	(64.91)	243.31
4. Current portion of the above	(64.91)	124.71
5. Non current portion of the above	-	118.60

**iv. Changes in Obligation and fair value of plan assets during the year**

Particulars	March 31, 2019	March 31, 2018
	Amount	Amount
<b>A. Change in the obligation during the year ended 31st March</b>		
1. Present value of defined benefit obligation at the beginning of the year	875.89	749.18
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	70.81	183.76
- Past Service Cost		
- Interest Expense (Income)	66.86	55.14
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	31.01	-
ii. Financial Assumptions	8.03	(73.56)

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

iii. Experience Adjustments	(350.41)	-
4. Benefit payments	(26.38)	(38.63)
<b>5. Present value of defined benefit obligation at the end of the year</b>	<b>675.81</b>	<b>875.89</b>
<b>B. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	632.58	531.99
- Interest Income	50.41	39.15
2. Recognised in Other Comprehensive Income		
- Actual Return on plan assets in excess of the expected return	(3.26)	0.21
3. Contributions by employer (including benefit payments recoverable)	87.37	99.86
4. Benefit payments	(26.38)	(38.63)
<b>5. Fair value of plan assets at the end of the year</b>	<b>740.72</b>	<b>632.58</b>

**The key assumptions used in accounting for gratuity are as below**

<b>v. Actuarial assumptions</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
1. Interest rate/Discount rate	7.60%	7.75%
2. Rate of increase in compensation	6.00%	6.00%
3. Attrition rate	6.70%	3.00%

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**vi. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation to the amounts shown below:

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
<b>Discount rate (If changed by 1%)</b>		
Increase	624.78	807.03
Decrease	734.94	956.64
<b>Salary escalation rate (If changed by 1%)</b>		
Increase	738.05	1,051.90
Decrease	621.23	735.34

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Expected cashflow and duration of the plan**

Particulars	Gratuity plan	
	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Weighted average duration of DBO	13.71	19.14
1. Expected employer contributions in the next year	32.45	137.60
2. Expected benefit payments		
Year 1	73.57	96.44
Year 2 - 5	236.86	20.91
Beyond 5 years	284.07	758.54

**vii. Weighted Average Asset Allocations at end of current period**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Bonds	0%	0%
Equities	0%	0%
Insurance policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**viii. Risk exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

*Interest rate risk:*

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

*Salary inflation risk:*

Higher than expected increases in salary will increase the defined benefit obligation.

*Demographic risk:*

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Note 32:**
**Segment information**

The company operates in a single product segment. Additional disclosures required as per Ind AS 108, "Operating Segments" are included below:

**a. Geographical Segment revenue by location of customers**

The following is an analysis of the Group's revenue and results from continuing operations by

Particulars	Segment Revenue	
	Year ended March 31, 2019	Year ended March 31, 2018
	Amount	Amount
In India	28,371.88	34,619.23
Outside India*	243.89	1,434.47
<b>Total</b>	<b>28,615.77</b>	<b>36,053.70</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

\*Segment revenue from outside India does not include deemed exports to Export Oriented Units

**b. Geographical Segment assets**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Segment assets</b>		
India	61,345.13	67,377.41
Outside India	-	-
<b>Consolidated total assets</b>	<b>61,345.13</b>	<b>67,377.41</b>

**Major Customers contributing more than 10 percent of revenue**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Antrix Corporation Limited	4,099.70	-
Bharat Dynamics Ltd	3,363.13	11,357.09
Bharat Electronics Ltd	-	6,150.25
DCX Cable Assemblies Pvt., Ltd.,	3,855.18	-

**Note 33: Commitments and contingent liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Claims against the Company not acknowledged as debts in respect of:		
a) Corporate guarantee on behalf of Bhavyabhanu Electronics Private Limited, Subsidiary Company	2,000.00	2,000.00
b) Disputed excise duty matters *	248.19	248.19
<b>Total Contingent liabilities</b>	<b>2,248.19</b>	<b>2,248.19</b>
Estimated amount of capital contracts remaining to be executed and not provided for	353.62	68.21
<b>Total Capital commitments</b>	<b>353.62</b>	<b>68.21</b>

\* The company has received a favorable order against demand raised by Commissioner of Customs, Central Excise and Service Tax. However, the same has been disclosed as contingent liability as the department has preferred an appeal before Hon'ble High Court, Telangana and Andhra Pradesh.

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 34: Events Occurring after the reporting period :**

Refer to Note 40 for the final dividend recommended by the directors which is subject to approvals of shareholders in the ensuing annual general meeting.

**Note 35: Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Current</b>		
Financial assets		
Trade receivables	18,965.24	18,772.78
Non-financial assets		
Inventories	13,043.83	10,376.09
<b>Total current assets pledged as security (A)</b>	<b>32,009.07</b>	<b>29,148.87</b>
<b>Non-current</b>		
Property, plant and equipment	11,370.76	12,136.73
Capital work-in-progress	243.39	72.50
<b>Total non-current assets pledged as security (B)</b>	<b>11,614.15</b>	<b>12,209.23</b>
<b>Total assets pledged as security* ((A) + (B))</b>	<b>43,623.22</b>	<b>41,358.10</b>

\* In addition, all chargeable current assets are pledged to the banks as security

**Note 36: Research and development**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centres		
a) Revenue expenditure	1,745.63	2,389.82
b) Capital expenditure	-	1,976.90
	<b>1,745.63</b>	<b>4,366.72</b>

**Note 37: Financial Instruments**
**Fair value**

The management assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company has determined fair value of Non current financial assets and liabilities using discounted cash flow of future projected cash flow.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:



**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
<b>Assets:</b>						
<b>Non-current</b>						
(a) Other financial assets	3	1,288.67			1,288.67	1,288.67
<b>Current</b>						
(a) Trade receivables	3	18,965.24			18,965.24	18,965.24
(b) Cash and cash equivalents	3	707.53			707.53	707.53
(c) Bank balances other than (b) above	3	1,809.31			1,809.31	1,809.31
(d) Investments	1			2,023.46	2,023.46	2,023.46
<b>Total</b>		<b>22,770.75</b>	-	<b>2,023.46</b>	<b>24,794.21</b>	<b>24,794.21</b>
<b>Liabilities:</b>						
<b>Non-current liabilities</b>						
(a) Borrowings	3	475.44			475.44	475.44
<b>Current</b>						
<b>Financial liabilities</b>						
(a) Borrowings	3	5.31			5.31	5.31
(b) Trade payables	3	2,240.83			2,240.83	2,240.83
(c) Other financial liabilities	3	1,133.13			1,133.13	1,133.13
<b>Total</b>		<b>3,854.71</b>	-	-	<b>3,854.71</b>	<b>3,854.71</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
<b>Assets:</b>						
<b>Non-Current</b>						
(a) Investments	3			0.20	0.20	0.20
(b) Other financial assets	3	1,703.69			1,703.69	1,703.69
<b>Current</b>						
(a) Trade receivables	3	18,772.78			18,772.78	18,772.78
(b) Cash and cash equivalents	3	2,064.46			2,064.46	2,064.46
(c) Bank balances other than (b) above	3	833.27			833.27	833.27
(d) Investments	1			12,573.31	12,573.31	12,573.31
<b>Total</b>		<b>23,374.20</b>	-	<b>12,573.51</b>	<b>35,947.71</b>	<b>35,947.71</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

<b>Liabilities:</b>						
<b>Non-Current</b>						
(a) Borrowings	3	1,426.10			1,426.10	1,426.10
<b>Current</b>						
(a) Borrowings	3	2,000.00			2,000.00	2,000.00
(b) Trade payables	3	1,395.39			1,395.39	1,395.39
(c) Other financial liabilities	3	6,580.08			6,580.08	6,580.08
<b>Total</b>		<b>11,401.57</b>	<b>-</b>	<b>-</b>	<b>11,401.57</b>	<b>11,401.57</b>

**Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Note 38: Financial risk management**
**Risk management framework**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company's activities expose it to a variety of financial risks : credit risk, liquidity risk and market risk relating to foreign currency exchange rate. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

**Credit risk**

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

The Company primarily deals with Public Sector Enterprises and Government undertakings. Regarding credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses.

The carrying amount of trade receivables, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

**a. Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate and are derived from revenue earned from customers primarily located in India. Company has a process in place to monitor outstanding receivables on a monthly basis.

The Company's exposure to credit risk for trade and other receivables where simplified approach of recognising expected credit loss is recognised.

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Carrying amount	
	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Trade receivables (Gross)	19,552.99	19,367.36
Less: Expected credit loss	(587.75)	(594.58)
<b>Trade receivables as per the financial statements</b>	<b>18,965.24</b>	<b>18,772.78</b>

The Company's exposure to credit risk for financial assets other than trade receivables, where 12 month expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Cash and cash equivalents	707.53	2,064.46
Other bank balances	1,809.31	833.27
Other financial assets	1,288.67	1,703.69
Less: Expected credit loss	-	-
<b>Trade receivables as per the financial statements</b>	<b>3,805.51</b>	<b>4,601.42</b>

**Movement in Expected Credit loss**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Opening balance	594.58	629.96
Add: provided during the year	(6.83)	(35.38)
Net re-measurement of ECL	587.75	594.58

**Significant estimates and judgements****Provision for expected credit loss on Trade receivables**

The allowance for doubtful debts are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Following are the financial assets carried at amortised cost at the reporting date.

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Trade receivables	18,965.24	18,772.78
Cash and cash equivalents	707.53	2,064.46
Other bank balances	1,809.31	833.27
Other financial assets	1,288.67	1,703.69
	<b>22,770.75</b>	<b>23,374.20</b>

## Notes to financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's Management is responsible for liquidity, funding as well as settlement management.

The Company monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. As at March 31, 2019, the expected cash flows from trade receivables is INR 18,965.24 lakhs (As at March 31, 2018: 18,772.78).

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

### (i) Financing arrangements

The company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Expiring within one year (bank overdraft and other facilities)	13,700.00	10,500.00

### (ii) Maturities of financial liabilities

#### As at March 31, 2019

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	5.31	475.44	-	480.75
Trade payables	2,240.83	-	-	2,240.83
Other financial liabilities (excluding trade payables)	1,133.13	-	-	1,133.13
	<b>3,379.27</b>	<b>475.44</b>	-	<b>3,854.71</b>

#### As at March 31, 2018

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	2,000.00	1,426.10	-	3,426.10
Trade payables	1,395.39	-	-	1,395.39
Other financial liabilities (excluding trade payables)	6,590.53	-	-	6,590.53
	<b>9,985.92</b>	<b>1,426.10</b>	-	<b>11,412.02</b>

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and trade receivables. The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables and trade/other receivables. The risks primarily relate to fluctuations in US Dollar and EURO against the functional currency of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Company has not entered into derivative instruments during the year.

The Company's foreign currency payables and receivables are as follows

**Exposure to currency risk**

The summary quantitative data about the Company's gross exposure to currency risk is as follows:

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Receivable	USD	27.39	1,894.16	17.09	1,105.01
	EURO	1.46	113.40	0.41	31.94
Amounts Payable	USD	(5.96)	(412.16)	(2.81)	(183.36)
	EURO	(0.16)	(12.43)	(1.32)	(106.79)

**Sensitivity analysis:**

A reasonably possible strengthening (weakening) of the USD, against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
<b>31-Mar-19 (one rupee movement)</b>				
USD	21.43	(21.43)	13.94	(13.94)
EURO	1.30	(1.30)	0.85	(0.85)
<b>31-Mar-18 (one rupee movement)</b>				
USD	14.28	(14.28)	9.29	(9.29)
EURO	(0.91)	0.91	(0.59)	0.59

**Price Risk**

The Company invests its surplus funds primarily for short tenor in debt mutual funds measured at fair value through profit or loss. The following table demonstrate the sensitivity to a reasonably possible change in the price of the investments before tax:

Particulars	Increase/(decrease) in profit before tax	
	31 March 2019	31 March 2018
Increase by 1%	20.23	125.73
Decrease by 1%	(20.23)	(125.73)

## Notes to financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2019	31 March 2018
<b>Change in interest rate</b>		
-increase by 50 basis points	2.27	5.88
-decrease by 50 basis points	(2.27)	(5.88)

### Note 39: Capital Management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

As at March 31, 2019, the Company has only one class of equity shares. Consequent to the above capital structure there are no externally imposed capital requirements.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

### Capital gearing ratio

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Borrowings</b>		
Current - Short term borrowings	5.31	2,000.00
Non current - Long term borrowings	475.44	1,426.10
Current maturities of long term borrowings	950.66	5,940.22
<b>Debt</b>	<b>1,431.41</b>	<b>9,366.32</b>
<b>Equity</b>		
Equity share capital	1,732.23	1,732.23
Other equity	48,562.85	48,435.29
<b>Total capital</b>	<b>50,295.08</b>	<b>50,167.52</b>
<b>Net debt to equity ratio</b>	<b>3%</b>	<b>19%</b>

**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 40: Dividends**

Particulars	Amount
a) Final dividend declared for the year ended March 31, 2018 and paid during the year ended March 31, 2019 - Re. 1.20/- per fully paid-up share	1,039.34
b) Final dividend declared for the year ended March 31, 2017 and paid during the year ended March 31, 2018 - Re. 1/- per fully paid-up share	866.12
c) Proposed dividend Rs. 0.25/- per fully paid-up share subject to the approval of shareholders in ensuing annual general meeting.	216.53

**Note 41: Change in Accounting policies**

The company has applied Ind as 115 Revenue from contracts with customers for the first time by using the modified retrospective method of adoption with the date of initial application April 01, 2018. Under this method Company recognised the cumulative effect of applying Ind AS 115 as an adjustment to the retained earnings as at April 01, 2018. Comparative periods has not been adjusted.

Entities applying the modified retrospective method can elect to apply the revenue standard only to contracts that are not completed as at the date of initial application (that is, they would ignore the effects of applying the revenue standard to contracts that were completed prior to the date of initial application). By taking that practical expedient the Company applies Ind AS 115 for all the contracts that were not completed on April 01, 2018.

**The Impact on the company's retained earnings as at April 01, 2018**

Particulars	Amount
<b>Impact on retained earnings as at April 01, 2018</b>	
Retained earnings as at April 01, 2018 earlier reported	34,096.29
Interest accrued on advances from customers	(113.56)
Deferred tax impact	39.68
<b>Retained earnings restated as at April 01, 2018</b>	<b>34,022.41</b>

The following table presents the amount by which financial statement line item is affected in the current year ended March 31, 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Balance sheet (extract)	March 31, 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	March 31, 2019 (as reported)
<b>Non current liabilities</b>			
Deferred tax liabilities	626.36	(154.63)	471.73
<b>Total Non Current liabilities</b>	<b>1,101.80</b>	<b>(154.63)</b>	<b>947.17</b>
<b>Current liabilities</b>			
Contract liabilities	4,688.15	442.50	5,130.65
<b>Total Current liabilities</b>	<b>9,660.38</b>	<b>442.50</b>	<b>10,102.88</b>
<b>Total Liabilities</b>	<b>10,762.18</b>	<b>287.87</b>	<b>11,050.05</b>
<b>Net Assets</b>	<b>50,582.95</b>	<b>(287.87)</b>	<b>50,295.08</b>
Retained earnings	34,511.72	(287.87)	34,223.85
<b>Total Equity</b>	<b>50,582.95</b>	<b>(287.87)</b>	<b>50,295.08</b>



## Notes to financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Extract from the Statement of Profit and Loss

Statement of Profit and loss (extract) year ended March 31, 2019	March 31, 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	March 31, 2019 (as reported)
Revenue from operations	28,502.51	113.26	28,615.77
<b>Total Income</b>	<b>30,951.73</b>	113.26	31,064.99
Finance cost	453.61	442.20	895.81
<b>Total expenses</b>	<b>28,947.92</b>	442.20	29,390.12
<b>Profit before tax</b>	<b>2,003.81</b>	(328.94)	1,674.87
Deferred tax expense/(credit)	83.02	(114.95)	(31.93)
<b>Profit for the year</b>	<b>1,467.97</b>	(213.99)	1,253.98
<b>Total Comprehensive income</b>	<b>1,668.41</b>	(213.99)	1,454.42
<b>Basic and diluted EPS</b>	<b>1.70</b>	(0.25)	1.45

### Modified Retrospective method on transition

The Company has considered that the advances received from the customers for more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the company adjusted the transaction price to reflect the finance component from such customer advances.

**42:** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

Place : Hyderabad  
Date : May 09, 2019

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401

**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352



## Consolidated Financial Statements of Astra Microwave Products Limited

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Astra Microwave Products Limited Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Astra Microwave Products Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and joint venture (refer Note 43 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019 and the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.
3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How our audit addressed the key audit matter:
<p><b>Finance cost recognised on transitioning to Ind AS 115, Revenue from contracts with customers</b> (Refer Note 41 to the consolidated financial statements)</p> <p>The Group is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems which involves sale of products and services.</p> <p>Ind AS 115 (Revenue from contracts with customers) is applicable to the Group from April 01, 2018.</p> <p>In applying the guidance specified in Ind AS 115 in respect of certain long term contracts entered into for sale of products, the Group has identified significant financing component in respect of advances received from customers and has recognised finance cost as explained in the aforesaid note.</p> <p>This is a key audit matter as the amount is significant to the consolidated financial statements and involves management evaluation of assumptions and estimates in determining the discount rate and the duration of the project.</p>	<p>Our procedures, in relation to revenue recognition for those contracts, included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls in respect of revenue recognition</li> <li>• Reading the underlying contracts with customers and understanding the nature of advances received</li> <li>• Assessing the appropriateness of information, such as sale orders, and stage of completion of the project including expected completion date, used by the Management, to determine the duration of the project</li> <li>• Evaluating the assumptions used by the Management in calculating the discount rate such as incremental borrowing rate and interest on working capital arrangement in accordance with Ind AS 115.</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions in the finance cost recognized on transitioning to Ind AS 115, Revenue from contracts with customers.</p>

Key audit matter description	How our audit addressed the key audit matter:
<p><b>Appropriateness of the Expected credit loss (“ECL”) provision in respect of trade receivables carried at amortized cost</b></p> <p>(Refer Note 7 and Note 38 to the Consolidated financial statements)</p> <p>The Group has trade receivables aggregating to Rs. 19,803.06 lakhs as at March 31, 2019, in respect of which the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, and recognises expected lifetime losses from initial recognition of the receivables. The provision for ECL as at March 31, 2019 is Rs. 589.00 lakhs.</p> <p>This is determined as a key audit matter as determination of the ECL provision involved application of judgement by management in respect of matters such as maximum contractual period of credit risk and probability of credit loss given the large number of aged receivables from government customers.</p>	<p>Our procedures, in relation to testing of ECL provision recognised, included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls in respect of ECL provision for trade receivables carried at amortised cost</li> <li>• Reading of the underlying contracts and invoices, as applicable to understand the nature of trade receivables, and the dates on which the payments fall due</li> <li>• Assessing the appropriateness of the credit loss provisioning methodology used by the management, which involves the use of historical trends such as cash collection, performance of the current year against historical trends and the level of credit loss over time</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions to the ECL provision recognised in respect of trade receivables carried at amortized cost.</p>

## Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entities to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

14. We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of Rs. 2,002.35 lakhs and net assets of Rs. 602.21 lakhs as at March 31, 2019, total revenue of Rs. 1,377.42 lakhs, total comprehensive Loss (comprising of profit and loss and other comprehensive income) of Rs. 97.75 lakhs and net cash flows amounting to Rs. 203.60 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of loss of Rs. 177.51 lakhs for the year ended March 31, 2019 as considered in the consolidated Ind AS financial statements, in respect of 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.
15. The financial statements of 1 subsidiary entity located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 396.43 lakhs and net assets of Rs. 299.01 lakhs as at March 31, 2019, total revenue of Rs. 273.74 lakhs total comprehensive income (comprising of profit and loss and other comprehensive income) of Rs. 33.97 lakhs and net cash flows amounting to Rs. 195.01 lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements or financial information certified by the management.

#### Report on Other Legal and Regulatory Requirements

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, of pending litigations on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
  - ii. The Group, its joint venture had long-term contracts as at March 31, 2019 which there were no material foreseeable losses. However it did not have any long-term derivative contracts as at March 31, 2019.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and its joint venture incorporated in India.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

Sunit Kumar Basu  
Partner  
Membership Number: 55000

Place: Hyderabad  
Date : May 09, 2019



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 16 (f) of the Independent Auditors' Report of even date to the members of Astra Microwave Products Limited on the consolidated financial statements for the year ended March 31, 2019.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Astra Microwave Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to 1 joint venture company incorporated in India namely Astra Rafael Comsys Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control

over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Holding Company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Sunit Kumar Basu

Partner

Membership Number: 55000

Place: Hyderabad

Date : May 09, 2019

## Consolidated Balance Sheet as at March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	17,817.42	19,447.84
Capital work-in-progress		243.39	72.50
Investment in Joint Venture	3 (a)	1,447.49	-
Financial assets			
i. Investments	3 (a)	-	0.20
ii. Other financial assets	4	1,289.01	1,707.91
Deferred tax assets	14	87.10	26.97
Other non-current assets	5	125.21	65.16
<b>Total non-current assets</b>		<b>21,009.62</b>	<b>21,320.58</b>
<b>Current assets</b>			
Inventories	6	13,977.06	10,717.55
Financial assets			
i. Investments	3 (b)	2,023.46	12,573.31
ii. Trade receivables	7	19,214.06	19,040.59
iii. Cash and cash equivalents	8A	981.19	2,134.31
iv. Other bank balances	8B	1,809.31	833.27
Current tax assets (net)	9	538.20	-
Other current assets	5	2,057.37	1,010.52
<b>Total current assets</b>		<b>40,600.65</b>	<b>46,309.55</b>
<b>Total assets</b>		<b>61,610.27</b>	<b>67,630.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	1,732.23	1,732.23
Other equity	11A	48,224.10	48,371.35
<b>Equity Attributable to owners of the Company</b>		<b>49,956.33</b>	<b>50,103.58</b>
Non Controlling Interest	11B	0.16	0.16
<b>Total equity</b>		<b>49,956.49</b>	<b>50,103.74</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	12	475.44	1,426.10
Provisions	13	23.81	133.29
Deferred tax liabilities (net)	14	471.72	435.67
<b>Total non-current liabilities</b>		<b>970.97</b>	<b>1,995.06</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	15	253.76	2,172.67
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	16(a)	57.65	132.69
(b) total outstanding dues other than micro and small enterprises	16(b)	2,401.46	1,335.84
iii. Other financial liabilities	17	1,144.04	6,580.08
Provisions	13	324.21	499.41
Current tax liabilities (net)	18	-	145.66
Other current liabilities	19(a)	1,316.46	2,304.30
Contract liabilities	19(b)	5,185.23	2,360.68
<b>Total current liabilities</b>		<b>10,682.81</b>	<b>15,531.33</b>
<b>Total liabilities</b>		<b>11,653.78</b>	<b>17,526.39</b>
<b>Total equity and liabilities</b>		<b>61,610.27</b>	<b>67,630.13</b>
Summary of Significant Accounting Policies	1		

The above balance sheet should be read in conjunction with the accompanying notes

This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**S. GURUNATHA REDDY**  
Managing Director  
DIN :- 00003828

**M.V REDDY**  
Joint Managing Director  
DIN :- 00421401

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

Place : Hyderabad  
Date : May 09, 2019

## Consolidated Statement of profit and loss for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income :</b>			
Revenue from Operations	20	29,349.32	36,586.90
Other Income	21	2,452.20	845.66
<b>Total Income</b>		<b>31,801.52</b>	<b>37,432.56</b>
<b>Expenses :</b>			
Cost of materials consumed	22	18,008.42	14,199.02
Changes in inventories of finished goods and work-in-progress	23	(1,786.14)	512.54
Excise duty	24	-	366.72
Employees benefits expenses	25	6,502.55	6,949.55
Depreciation	26	2,890.13	2,740.85
Other expenses	27	3,746.94	3,469.94
Finance costs	28	926.31	1,219.57
<b>Total Expenses</b>		<b>30,288.21</b>	<b>29,458.19</b>
<b>Profit/(Loss) before tax and Share of profit from JV</b>		<b>1,513.31</b>	<b>7,974.37</b>
Share of Profit/(loss) from JV		(177.51)	-
<b>Profit/(Loss) before tax</b>		<b>1,335.80</b>	<b>7,974.37</b>
<b>Income tax expense</b>			
- Current tax		452.82	1,718.62
- Deferred tax		(93.22)	400.19
- MAT credit		-	(253.60)
<b>Net profit for the year</b>		<b>976.20</b>	<b>6,109.16</b>
<b>Net profit attributable to owners of the company</b>		<b>976.20</b>	<b>6,109.00</b>
<b>Net profit attributable to Non Controlling Interests</b>		<b>-</b>	<b>0.16</b>
<b>Other comprehensive income :</b>			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		311.82	76.14
b) Income tax relating to remeasurements of post employment benefit obligations		(108.82)	(26.61)
Items that will be reclassified to profit or loss			
a) Exchange differences on translation of foreign operations		0.41	(7.31)
b) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>203.41</b>	<b>42.22</b>
Other Comprehensive Income attributable to owners of the company		203.41	42.22
Other Comprehensive Income attributable to Non Controlling Interests		-	-
<b>Total comprehensive income for the year</b>		<b>1,179.61</b>	<b>6,151.38</b>
Total Comprehensive Income attributable to owners of the company		1,179.61	6,151.22
Total Comprehensive Income attributable to Non Controlling Interests		-	0.16
<b>Earnings per equity share</b>			
Basic earnings per share ( in Rs)	29	1.13	7.05
Diluted earnings per share ( in Rs)		1.13	7.05
Summary of Significant Accounting Policies	1		

The above statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**M.V REDDY**  
Joint Managing Director  
DIN :- 00421401

**S. GURUNATHA REDDY**  
Managing Director  
DIN :- 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

Place : Hyderabad  
Date : May 09, 2019

# Consolidated statement of changes in equity for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

## A. Equity Share Capital

Particulars	Notes	Amount
<b>As at April 1, 2017</b>		<b>1,732.23</b>
Changes in equity share capital during the year	10	-
<b>As at March 31, 2018</b>		<b>1,732.23</b>
Changes in equity share capital during the year	10	-
<b>As at March 31, 2019</b>		<b>1,732.23</b>

## B. Other Equity

Particulars	Notes	Attributable to owners of the equity					Non Controlling Interests	Total
		Debt redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Foreign currency translation reserve		
<b>Balance as at April 01, 2017</b>		834.00	6,856.20	5,632.80	29,933.13	6.44	-	43,262.57
Profit for the year		-	-	-	6,109.00	-	0.16	6,109.16
Remeasurements of post employment benefits (net of tax)		-	-	-	49.53	-	-	49.53
Transfer to general reserve		-	-	600.00	(600.00)	-	-	-
Transfer to debt redemption reserve		416.00	-	-	(416.00)	-	-	-
Transfer to Foreign currency translation reserve		-	-	-	-	(7.31)	-	(7.31)
Dividend paid		-	-	-	(866.12)	-	-	(866.12)
Dividend distribution tax paid		-	-	-	(176.32)	-	-	(176.32)
<b>Balance as at March 31, 2018</b>		1,250.00	6,856.20	6,232.80	34,033.22	(0.87)	0.16	48,371.51
<b>Balance as at March 31, 2018 as originally presented</b>	11A & 11B	1,250.00	6,856.20	6,232.80	34,033.22	(0.87)	0.16	48,371.51
Change in accounting policy on adoption of Ind AS 115		-	-	-	(73.88)	-	-	(73.88)
<b>Restated balance as at April 01, 2018</b>		1,250.00	6,856.20	6,232.80	33,959.34	(0.87)	0.16	48,297.63
Profit for the year		-	-	-	976.20	-	-	976.20
Remeasurements of post employment benefits (net of tax)		-	-	-	203.00	-	-	203.00
Transfer to general reserve		(1,250.00)	-	-	-	-	-	(1,250.00)
Transfer from debt redemption reserve		-	-	1,250.00	-	-	-	1,250.00
Transfer to Foreign currency translation reserve		-	-	-	-	0.41	-	0.41
Dividend paid		-	-	-	(1,039.34)	-	-	(1,039.34)
Dividend distribution tax paid		-	-	-	(213.64)	-	-	(213.64)
<b>Balance as at March 31, 2019</b>		-	6,856.20	7,482.80	33,885.56	(0.46)	0.16	48,224.10
<b>Balance as at March 31, 2019</b>		-	6,856.20	7,482.80	33,885.56	(0.46)	0.16	48,224.26

The above Statement of changes in equity should be read in conjunction with the accompanying notes. This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**M.V REDDY**  
Joint Managing Director  
DIN :- 00421401

**S. GURUNATHA REDDY**  
Managing Director  
DIN :- 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

Place : Hyderabad  
Date : May 09, 2019

## Consolidated Cash Flow statement for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from Operating Activities</b>		
Profit before tax	1,335.80	7,974.37
<b>Adjustments for:</b>		
Depreciation expense	2,890.13	2,740.85
Finance cost	926.31	1,219.57
Interest income	(156.69)	(170.70)
Share or (profit) /loss from Joint venture	177.51	-
Dividend income	-	(16.12)
(Gain)/loss on sale of investments(net)	(711.77)	(202.80)
(Gain)/loss on fair valuation of financial assets	(78.05)	(337.98)
(Gain)/loss on disposal of property, plant and equipment	(259.63)	0.28
Unrealised exchange (gain)/loss	(45.39)	2.27
Changes in expected credit loss	(5.58)	(35.38)
<b>Operating Profit Before Working Capital Changes</b>	<b>4,072.64</b>	<b>11,174.36</b>
<b>Changes in assets and liabilities:</b>		
(Increase) / Decrease in inventories	(3,259.50)	2,238.77
(Increase) / Decrease in trade receivables	(119.15)	2,953.91
(Increase) / Decrease in other financial assets and Other bank balances	(539.55)	773.44
(Increase) / Decrease in other non-current assets	(61.62)	(14.82)
(Increase) / Decrease in other current assets	(1,046.85)	727.04
Increase/(Decrease) in trade payable	987.66	(295.44)
Increase/(Decrease) in provisions	27.14	158.21
Increase/(Decrease) in other financial liabilities	(57.95)	27.82
Increase/(Decrease) in Contract liabilities	2,268.79	2,360.68
Increase/(Decrease) in other current liabilities	(987.85)	(746.05)
<b>Cash generated from/(used in) operating activities</b>	<b>1,283.76</b>	<b>19,357.92</b>
Income tax paid	(1,136.68)	(1,475.29)
<b>Net cash generated from/(used in) operating activities</b>	<b>147.08</b>	<b>17,882.63</b>

**Consolidated Cash Flow statement for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from Investing Activities</b>		
Payments for property, plant and equipment	(1,621.74)	(3,389.82)
Proceeds from sale of property, plant and equipment	301.82	10.20
Purchase of current investments	(22,474.37)	(16,104.47)
Proceeds from sale of current investments	33,814.14	9,807.73
Investment in Equity Shares of Joint ventures	(1,624.90)	-
Proceeds from sale of non-current investments	-	20.00
Dividends received	-	16.12
Interest received	147.25	205.64
<b>Net cash flow/(used in) Investing Activities</b>	<b>8,542.20</b>	<b>(9,434.60)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from long term borrowings	-	1,016.87
Repayment of long term borrowings	(5,950.67)	(974.96)
Proceeds from short term borrowings	2,005.31	7,000.00
Repayment of short term borrowings	(3,924.22)	(11,219.36)
Interest paid	(719.84)	(1,255.13)
Dividend paid	(1,039.34)	(866.12)
Dividend tax paid	(213.64)	(176.32)
<b>Net cash from /(used in) Financing Activities</b>	<b>(9,842.40)</b>	<b>(6,475.02)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,153.12)</b>	<b>1,973.01</b>
Cash & Cash Equivalents at the Beginning	2,134.31	161.30
<b>Cash &amp; Cash Equivalents at the End</b>	<b>981.19</b>	<b>2,134.31</b>

This is the Cashflow statement referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

Place : Hyderabad  
Date : May 09, 2019

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401

**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Background

Astra Microwave Products Limited was incorporated in 1991 and it got listed under NSE and BSE in the year 1994. The group is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defense, space, meteorology and telecommunication.

### Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Astra Microwave Products Limited (the “Company”) and its subsidiaries, Joint venture (the “group”).

#### Note 1.1 Basis of preparation of financial statements

##### (i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

##### (iii) New and amended standards adopted by the group

- Ind AS 115, Revenue from contracts with customers
- Amendments to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- Appendix B of Ind AS 21 - The Effects of changes in Foreign exchange Rate
- Amendment to Ind AS 12, Income taxes
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 28, Investments in Associates and Joint ventures and Ind AS 112, Disclosure of Interests in other entities

### Principles of consolidation and equity accounting

#### i) Subsidiary:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (refer (ii) below), after initially being recognized at cost.

**iii) Joint Venture**

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognized at cost in the consolidated balance sheet.

**iv) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities.

Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.8 below.

**v) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

**Note 1.2 : Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of the assets and liabilities, the disclosure of the contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of these changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**Note 1.3 : Foreign currency translation****(i) Functional and presentation currency**

Items included in the financial statements of each of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. assets and liabilities are translated at the closing rate at the date of that balance sheet
- b. income and expenses are translated at average exchange rates, and
- c. All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

**Note 1.4 : Revenue recognition**

**(i) Sale of products**

Revenue from sale of products is recognized when the control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns if any at the time of sale. Accumulated experience will be used to estimate and provide for the discounts, using the expected value method, and revenue is recognized only to the extent that it is highly probable that the significant reversal will not occur. A refund liability (included in other current liabilities) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The contract price is adjusted for the finance component where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

**(ii) Revenue from sale of services**

The group provides maintenance services to customers under fixed price contracts. Revenue from sale of services is recognized in the accounting period in which the services are rendered

**(iii) Financing component:**

The Group recognizes significant financing component in the revenue contract where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. The finance component is adjusted to the contract price to arrive at the transaction price to be considered for revenue recognition.

**Note 1.5 : Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**Note 1.6 : Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**Note 1.7 : Leases**

As a lessee:

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **Note 1.8 : Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **Note 1.9 : Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **Note 1.10 : Trade receivables**

Trade receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognized at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at the fair value. The company holds trade receivables for the receipt of contractual cash flows and therefore measures them subsequently at the amortized cost using effective interest rate method.

#### **Note 1.11 : Inventories**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **Note 1.12 : Investments and other financial assets**

##### **i) Classification**

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The group reclassifies debt investments when and only when its business model for managing those assets changes.

## ii) Recognition

Regular way purchase and sales of financial assets are recognized on trade-date, the date on which the group commits to purchase or sale the financial assets.

## iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

#### Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## iii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.



#### iv) **Derecognition of financial assets**

A financial asset is derecognized only when

- The group has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### v) **Income recognition**

##### **Interest income**

Interest income from the debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

##### **Dividends**

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

#### **Note 1.13 : Derivatives**

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. These derivative contracts are not designated as hedges and are accounted for at fair value through profit or loss and are included in other income.

#### **Note 1.14 : Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group the counter party.

#### **Note 1.15 : Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.



## Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

## Depreciation/amortization methods, estimated useful lives and residual value

Depreciation is provided on written down value method considering the useful lives of the assets that have been determined based on technical evaluation done by the management which are in line with the useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of solar power generating plant the management has estimated the useful life as 25 years. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in statement profit and loss under other income.

## Note 1.16 : Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within credit period after recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## Note 1.17 : Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss under other income.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

## Note 1.18 : Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

### **Note 1.19 : Provisions, Contingent Assets and Contingent Liabilities**

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The group does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity

The group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

### **Note 1.20 : Employee benefits**

#### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the government bond yield rates at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **(iii) Post-employment obligations**

The company operates the following post-employment schemes:

- (a) Defined benefit plans - gratuity; and
- (b) Defined contribution plans - provident fund.

a. Defined benefit plans - gratuity

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Asset ceiling will be recognised the present value of any economic benefits available in the form of refunds from the plan or reduces in future contributions in accordance with the terms and conditions of the plan and accordingly recognise the defined benefit assets.

b. Defined contribution plans - provident fund

The group pays provident fund contributions to publicly administered funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Bonus plans**

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where contractually obliged or where there is a past practice that has created a constructive obligation.

**Note 1.21 : Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 1.22 : Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**Note 1.23 : Earnings per share**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.”

**Note 1.24 : Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The group has identified Managing Director and Chief Operating Officer of the Company as chief operating decision makers.

**Note 1.25 : Research and Development expenditure:**

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

- It is technically feasible to complete the project so that it will be available for use
- Management intends to complete the project and use or sell it
- There is an ability to use or sell the project
- It can be demonstrated how the project will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the project are available and
- The expenditure attributable to the project during its development can be reliably measured.

**Note 1.26 : Standards issued but not yet effective:**

The standards issued, but not yet effective up to the date of issuance of the group's financial statements are disclosed below.

**Standards issued but not yet effective:** 30 March 2019, the Ministry of Corporate Affairs (“MCA”) vide the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the group has not applied as they are effective for annual periods beginning on or after 1 April, 2019:

- Ind AS 116 will replace the current guidance in Ind AS 17, ‘Leases’. Ind AS 116 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Under Ind AS 116 lessees have to recognize a lease liability reflecting future lease payments and a ‘right-of-use asset’ for almost all lease contracts. This is a significant change compared to Ind AS 17, under which lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). Ind AS 116 gives lessees optional exemptions for certain short-term leases and leases of low-value assets. In the statement of profit and loss lessees will have to present interest expense on the lease liability and depreciation on the right of- use asset. In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

2. Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides a framework to consider, recognize and measure the accounting impact of tax uncertainties. It also provides specific guidance in several areas where previously Ind AS 12 was silent. For example, the appendix specifies how to determine the unit of account and the recognition and measurement guidance to be applied to that unit. The appendix also explains when to reconsider the accounting for a tax uncertainty, and it states specifically that the absence of comment from the tax authority is unlikely, in isolation, to trigger a reassessment.
3. New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized.
4. Amendment to Ind AS 28, Investments in Associates and Joint Ventures. Investors could have long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture. The amendment clarifies that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28. An illustrative example is also provided in Appendix A of Ind AS 28.

The group is in the process of assessing the impact of the aforesaid standards issued but not effective as at the balance sheet date.

**Note 1.27 : Critical estimates and judgments:**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. The area involving critical estimates or judgments is:

1. Estimation of defined benefit obligation
2. Significant financing component
3. Provision for expected credit loss

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

**Notes to consolidated financial statements for the year ended March 31, 2019**  
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 2 : Property, Plant and Equipment**

Particulars	Gross carrying value					Accumulated depreciation				Net carrying amount	
	As at 1 April 2018	Additions	Deletions / transfers	Adjustments	As at 31 Mar 2019	As at 1 April 2018	For the Year	On disposals	Adjustments	As at 31 Mar 2019	As at 31 Mar 2019
<b>Own assets</b>											
Land	1,986.94	97.68	38.65	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,783.64	20.47	-	-	6,804.11	723.96	572.05	-	-	1,296.01	5,508.10
Plant & Machinery	11,506.55	896.69	0.07	-	12,403.17	2,862.78	1,624.52	0.03	-	4,487.27	7,915.90
Electrical Installations	313.99	28.77	-	-	342.76	77.02	64.12	-	-	141.14	201.62
Solar Power Plant	669.19	-	-	-	669.19	140.61	59.60	-	-	200.21	468.98
Air Conditioners	428.13	6.22	-	-	434.35	123.08	78.65	-	-	201.73	232.62
Office Equipment	266.10	39.04	0.13	-	305.01	93.33	86.00	0.02	-	179.31	125.70
Furniture & Fixtures	358.42	19.15	-	-	377.57	131.35	58.95	-	-	190.30	187.27
Computers	927.64	143.86	-	0.03	1,071.53	664.14	196.63	-	0.01	860.78	210.75
Vehicles	79.71	50.01	8.81	-	120.91	4.67	28.83	5.41	-	28.09	92.82
Wind Electric Generator	1,245.47	-	-	-	1,245.47	297.00	120.78	-	-	417.78	827.69
<b>Total</b>	<b>24,565.78</b>	<b>1,301.89</b>	<b>47.66</b>	<b>0.03</b>	<b>25,820.04</b>	<b>5,117.94</b>	<b>2,890.13</b>	<b>5.46</b>	<b>0.01</b>	<b>8,002.62</b>	<b>17,817.42</b>
<b>Capital work-in-progress</b>	<b>72.50</b>	<b>327.57</b>	<b>156.68</b>	-	<b>243.39</b>	-	-	-	-	-	<b>243.39</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 2 : Property, Plant and Equipment**

Particulars	Gross carrying value					Accumulated depreciation				Net carrying amount
	As at 1 April 2017	Additions	Deletions / transfers	Adjustments*	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	Adjustments	As at 31 March 2018
<b>Own assets</b>										
Land	1,901.60	85.34	-	-	1,986.94	-	-	-	-	1,986.94
Buildings	2,915.71	3,867.93	-	-	6,783.64	257.17	466.79	-	-	6,059.68
Plant & Machinery	9,202.86	2,323.23	19.54	-	11,506.55	1,386.51	1,493.33	17.06	-	8,643.77
Electrical Installations	128.34	185.65	-	-	313.99	26.84	50.18	-	-	236.97
Solar Power Plant	660.66	8.53	-	-	669.19	74.49	66.12	-	-	528.58
Air Conditioners	183.65	244.48	-	-	428.13	47.20	75.88	-	-	305.05
Office Equipment	72.52	193.58	-	-	266.10	24.84	68.49	-	-	172.77
Furniture & Fixtures	286.01	73.30	0.89	-	358.42	64.55	67.32	0.52	-	227.07
Computers	715.64	211.94	-	0.06	927.64	377.95	286.19	-	-	263.50
Vehicles	92.65	31.90	44.84	-	79.71	13.72	28.15	37.20	-	75.04
Wind Electric Generator	1,245.47	-	-	-	1,245.47	158.60	138.40	-	-	948.47
<b>Total</b>	<b>17,405.11</b>	<b>7,225.88</b>	<b>65.27</b>	<b>0.06</b>	<b>24,565.78</b>	<b>2,431.87</b>	<b>2,740.85</b>	<b>54.78</b>	<b>-</b>	<b>5,117.94</b>
<b>Capital work-in-progress</b>	<b>3,720.20</b>	<b>1,994.04</b>	<b>5,641.74</b>	<b>-</b>	<b>72.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72.50</b>

Refer note no. 33 for Capital commitments of the group

Refer note no. 35 for the Assets pledged as security



**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 3 (a): Investments**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>A. Non-current investments (Refer Note a below)</b>		
<b>Investments accounted for using the equity method</b>		
Equity instruments of Joint venture (unquoted)	1,447.49	-
<b>Investment carried at fair value through profit and loss</b>		
Equity instruments of Others (unquoted)	-	0.20
<b>Total</b>	<b>1,447.49</b>	<b>0.20</b>

**Note 3 (b): Investments**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>B. Current investments (Refer Note b below)</b>		
<b>Investment carried at fair value through profit and loss</b>		
Investments in Mutual Funds (quoted)	2,023.46	12,573.31
<b>Total</b>	<b>2,023.46</b>	<b>12,573.31</b>

**Note (a): Details of non-current investments**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Investments accounted for using the equity method</b>		
<b>Equity instruments of Joint ventures (unquoted)</b>		
Astra Rafael Comsys Private Limited (Joint Venture w.e.f June 18, 2018) 16,250,000 (2018 : 1,000 ) equity shares of Rs. 10/- each fully paid up	1,447.49	-
<b>Investment carried at fair value through profit and loss</b>		
Astra Rafael Comsys Private Limited (treated as investment in Joint venture w.e.f June 18, 2018) 16,250,000 (2018 : 1,000 ) equity shares of Rs. 10/- each fully paid up	-	0.10
Astra UBS Technologies Private Limited Nil (2018 : 1,000 ) equity shares of Rs. 10/- each fully paid up	-	0.10
<b>Total</b>	<b>1,447.49</b>	<b>0.20</b>
<b>Aggregate book value of unquoted investments</b>	<b>1,447.49</b>	<b>0.20</b>

**Note (b): Details of current investments**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Investments in Mutual Funds (quoted)</b>		
a) Nil (2018 : 7,377,215.47) Units of HDFC Floating Rate Debt Fund - Direct Plan - Wholesale Option - Growth Option	-	2,241.37
b) 3,739,927.24 (2018 : 2,310,666 )Units of SBI Credit Risk Fund - Regular Plan - Growth	1,117.03	645.41

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

c) 234,894.52 (2018 - Nil) Units of SBI Magnum Income Fund - Regular Plan - Growth	<b>105.62</b>	-
d) Nil (2018: 27,774.83) units of HDFC Cash Management Fund - Savings Plan- Growth Option	-	1,006.68
e) 21,771.21, (2018: 74,946.70) units of HDFC Liquid Fund - Direct Plan- Growth Option	<b>800.81</b>	2,566.08
f) Nil (2018 : 133,913.03 ) units of SBI Premier Liquid- Regular Plan- Growth Option	-	3,636.53
g) Nil, (2018 : 6,523,789.43) units of HDFC Low duration Fund -Direct plan-Retail growth.	-	2,477.24
<b>Total current investment</b>	<b>2,023.46</b>	12,573.31
<b>Aggregate of quoted current investments and market value thereof</b>	<b>2,023.46</b>	12,573.31

<b>Aggregate book value of unquoted investments</b>	<b>1,447.49</b>	0.20
<b>Aggregate book value and market value of quoted investments</b>	<b>2,023.46</b>	12,573.31

**Note 4 : Other financial asset**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Non-current, carried at amortised cost</b>		
<b>Unsecured, considered good</b>		
Security deposits	119.08	108.86
<b>Margin money deposits against guarantees</b>		
- maturity period of more than 12 months	1,169.93	1,599.05
<b>Total other financial assets</b>	<b>1,289.01</b>	1,707.91

**Note 5 : Other assets**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Unsecured, considered good</b>		
<b>Non-current</b>		
Capital advances	3.10	4.66
Prepaid expenses	122.11	60.50
<b>Total non-current assets</b>	<b>125.21</b>	65.16
<b>Unsecured, considered good</b>		
<b>Current:</b>		
Prepaid expenses	264.01	224.28
Balance with government authorities	288.08	290.11
Employee benefits - gratuity, net*	64.91	-
Advance to suppliers	1,440.37	496.13
<b>Total current assets</b>	<b>2,057.37</b>	1,010.52

\*Refer Note 31 (c)

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 6 : Inventories**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Raw materials	6,689.68	5,212.92
Packing material	11.79	15.18
Work-in-progress	7,046.25	5,405.24
Finished goods	229.34	84.21
<b>Total</b>	<b>13,977.06</b>	<b>10,717.55</b>

Raw materials include good-in-transit INR 151.68 lakhs, (2018 : INR 37.01 lakhs)

Write downs of inventories to net realizable value amounted to INR 53.37 lakhs (2018 :INR 67.83 lakhs). These were recognized as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

**Note 7 : Trade receivables**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Trade receivables</b>		
Unsecured, considered good	19,214.06	19,040.59
Credit impaired	589.00	594.58
Less: Allowance for doubtful debts	(589.00)	(594.58)
<b>Total</b>	<b>19,214.06</b>	<b>19,040.59</b>

**Note 8 : Cash and Bank Balances**
**Note 8A: Cash and Cash Equivalents**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Balances with Banks	-	-
in current accounts	978.93	932.56
in deposit accounts	-	1,200.00
Cash on hand	2.26	1.75
<b>Total</b>	<b>981.19</b>	<b>2,134.31</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 8B: Other Bank balances**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Bank deposit	-	750.00
Margin money deposit	1,717.89	-
<b>Earmarked balances with banks :</b>	-	-
Unpaid dividend account	91.42	83.27
<b>Total</b>	<b>1,809.31</b>	<b>833.27</b>

Margin money deposit above includes Fixed Deposits under lien amounting to INR 332.00 lakhs (2018: INR Nil)

**Note 9 : Current Tax assets (net)**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Advance income tax (net of provision for income tax of INR 434.04 Lakhs (2018 : INR Nil))	538.20	-

**Note 10 : Equity share capital**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Authorised share capital:</b>		
150,000,000 (2018 : 150,000,000 ) equity shares of Rs. 2/- each	3,000.00	3,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued and subscribed capital:</b>		
86,611,675 (2018 : 86,611,675) equity shares of Rs. 2/- each fully paid	1,732.23	1,732.23
<b>Total</b>	<b>1,732.23</b>	<b>1,732.23</b>

**(a) Details of shares held by each shareholder holding more than 5% shares in the company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% holding of equity shares	Number of shares held	% holding of equity shares
HDFC Trustee Company Limited	-	-	77,93,394	8.99%
Ratnabali Investment Pvt.Ltd.,	46,34,272	5.35%	-	-
Tarish Investment and Trading Co.	-	-	50,47,962	5.83%
Sundaram Mutual Fund	47,89,398	5.53%	47,89,398	5.53%

**(b) Movement in equity share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount (Rs.Lakhs)	Number of shares	Amount (Rs.Lakhs)
At the beginning of the year	8,66,11,675	1,732.23	8,66,11,675	1,732.23
Add: Number of shares issued and subscribed during the year	-	-	-	-
<b>At the end of the year</b>	<b>8,66,11,675</b>	<b>1,732.23</b>	<b>8,66,11,675</b>	<b>1,732.23</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**(c) Terms and rights attached to equity shares:**

The company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

**Note 11**
**Note 11A: Other equity**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Reserves and surplus:</b>		
General reserve	7,482.80	6,232.80
Securities premium reserve	6,856.20	6,856.20
Debenture redemption reserve	-	1,250.00
Foreign currency translation Reserve	(0.46)	(0.87)
Retained earnings	33,885.56	34,033.22
<b>Total</b>	<b>48,224.10</b>	<b>48,371.35</b>

General Reserve	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Opening balance	6,232.80	5,632.80
Transferred from Debenture Redemption Reserve	1,250.00	-
Transferred from Surplus in statement of Profit and loss	-	600.00
<b>Closing balance</b>	<b>7,482.80</b>	<b>6,232.80</b>

Securities premium reserve	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Opening balance	6,856.20	6,856.20
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>6,856.20</b>	<b>6,856.20</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

<b>Debtenture Redemption Reserve</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
Opening balance	1,250.00	834.00
Transferred to General Reserve on Redemption	(1,250.00)	-
Appropriation - Transferred from retained earnings	-	416.00
<b>Closing balance</b>	<b>-</b>	<b>1,250.00</b>

<b>Retained earnings</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
Opening balance	34,033.22	29,933.13
Impact of application of Ind AS 115 (Refer note 41)	(73.88)	-
Add: Net profit for the year	976.20	6,109.00
Add: Remeasurement of Defined benefit obligations (net off tax)	203.00	49.53
Less: Appropriations		
Transfer to general reserve	-	(600.00)
Transfer to debtenture redemption reserve	-	(416.00)
Dividend paid	(1,039.34)	(866.12)
Dividend Tax paid	(213.64)	(176.32)
<b>Closing balance</b>	<b>33,885.56</b>	<b>34,033.22</b>

<b>Foreign Currency Translation Reserve</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
Opening balance	(0.87)	6.44
Additions during the year	0.41	(7.31)
<b>Closing balance</b>	<b>(0.46)</b>	<b>(0.87)</b>

**Note 11B: Non Controlling Interest**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
Opening balance	0.16	-
Additions during the year	-	0.16
<b>Closing balance</b>	<b>0.16</b>	<b>0.16</b>

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Nature and purpose of reserves

#### Securities premium reserves:

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

#### Debenture redemption reserve:

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

#### General reserve:

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

### Note 12 : Non-current borrowings

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Secured</b>		
Term Loan from banks		
a. Loan from HDFC Bank	475.44	1,426.10
<b>Total non-current borrowings</b>	<b>475.44</b>	<b>1,426.10</b>

Refer note 17 for current maturities of non-current borrowings.

Refer note no. 35 for the assets pledged as security

#### Nature of security:

##### Term Loans

- Term loan from HDFC Bank is secured by First exclusive charge on the Fixed Assets funded by this term loan. Second pari passu charge on entire unencumbered fixed assets of the company along with term lenders. Pari Passu second charge on all chargeable current assets of the company along with other term lenders and personal guarantee of the former Managing Director and former Chief Operating Officer who are also founders of the Company.
- Aggregate amount of loans Guaranteed by former Managing Director and former Chief Operating Officer who are also founders of the Company is INR 1426.10 lakhs (2018 : INR 2,376.76 lakhs).

#### Terms of repayment:

- Term loan from HDFC bank is repayable in 12 quarterly installments starting after one year from the date of first disbursement (date of first draw down was June 5, 2017) along with an interest as mutually agreed with the bank payable on a monthly basis. Interest rates are normally reset on an yearly basis. Present rate of interest is in the range of 9.24% to 9.65%.

### Note 13 : Provisions\*

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Non-current</b>		
Provision for compensated absences	12.46	-
Provision for gratuity	11.35	133.29
<b>Total non-current provisions</b>	<b>23.81</b>	<b>133.29</b>
<b>Current</b>		
Provision for compensated absences	321.94	374.31
Provision for gratuity	2.27	125.10
<b>Total current provisions</b>	<b>324.21</b>	<b>499.41</b>

\*Refer note 31



**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 14 : Deferred tax liabilities / (assets)**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Deferred tax Liabilities	471.72	435.67
Deferred tax Assets	(87.10)	(26.97)

**Reconciliation of Deferred tax balances**

2018-19	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
<b>A. Deferred tax liabilities (net)</b>					
Depreciation	1,829.75	(379.09)	-	-	1,450.66
On Fair value gain of Mutual funds	198.79	(155.65)	-	-	43.14
<b>Deferred tax liabilities</b>	<b>2,028.54</b>	<b>(534.74)</b>	-	-	<b>1,493.80</b>
Provision for gratuity	(85.03)	(22.63)	107.66	-	-
Provision for Leave Encashment	(121.40)	15.26	-	-	(106.14)
Provision for Leave Travel Allowance	(117.20)	117.20	-	-	-
Deferred revenue	-	(114.95)	-	(39.68)	(154.63)
Provision for expected credit loss	(207.77)	(9.38)	-	-	(217.15)
Indexation benefit on land	(327.99)	(2.70)	-	-	(330.69)
MAT Credit entitlement	(733.48)	520.01	-	-	(213.47)
<b>Deferred tax assets</b>	<b>(1,592.87)</b>	<b>502.81</b>	<b>107.66</b>	<b>(39.68)</b>	<b>(1,022.08)</b>
<b>Deferred tax liabilities (net) (A)</b>	<b>435.67</b>	<b>(31.93)</b>	<b>107.66</b>	<b>(39.68)</b>	<b>471.72</b>
<b>B. Deferred tax assets (net)</b>					
Depreciation	3.89	(1.08)	-	-	2.81
<b>Deferred tax liabilities</b>	<b>3.89</b>	<b>(1.08)</b>	-	-	<b>2.81</b>
Provision for gratuity	(4.66)	(0.75)	1.16	-	(4.25)
Provision for Leave Encashment	(9.36)	5.47	-	-	(3.89)
Unabsorbed Losses	-	(66.57)	-	-	(66.57)
Provision for expected credit loss	-	(0.39)	-	-	(0.39)
MAT Credit entitlement	(16.84)	2.03	-	-	(14.81)
<b>Deferred tax assets</b>	<b>(30.86)</b>	<b>(60.21)</b>	<b>1.16</b>	-	<b>(89.91)</b>
<b>Deferred tax assets (net) (B)</b>	<b>(26.97)</b>	<b>(61.29)</b>	<b>1.16</b>	-	<b>(87.10)</b>
<b>Total</b>	<b>408.70</b>	<b>(93.22)</b>	<b>108.82</b>	<b>(39.68)</b>	<b>384.62</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

2017-18	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
<b>A. Deferred tax liabilities (net)</b>					
Depreciation	1,358.67	471.08	-	-	1,829.75
On Fair value gain of Mutual funds	79.91	118.88	-	-	198.79
<b>Deferred tax liabilities</b>	<b>1,438.58</b>	<b>589.96</b>	-	-	<b>2,028.54</b>
Provision for gratuity	(75.17)	(35.39)	25.53	-	(85.03)
Provision for Leave Encashment	(77.68)	(43.72)	-	-	(121.40)
Provision for Leave travel allowance	-	(117.20)	-	-	(117.20)
Provision for Expected credit loss	(218.02)	10.25	-	-	(207.77)
Indexation benefit on land	(294.16)	(33.83)	-	-	(327.99)
MAT Credit entitlement	(496.72)	(236.76)	-	-	(733.48)
<b>Deferred tax assets</b>	<b>(1,161.75)</b>	<b>(456.65)</b>	<b>25.53</b>	-	<b>(1,592.87)</b>
<b>Deferred tax liabilities (net) (A)</b>	<b>276.83</b>	<b>133.31</b>	<b>25.53</b>	-	<b>435.67</b>
<b>B. Deferred tax assets (net)</b>					
Depreciation	6.15	(2.26)	-	-	3.89
<b>Deferred tax liabilities</b>	<b>6.15</b>	<b>(2.26)</b>	-	-	<b>3.89</b>
Provision for gratuity	(3.43)	(2.31)	1.08	-	(4.66)
Provision for Leave Encashment	(6.72)	(2.64)	-	-	(9.36)
Unabsorbed Losses	(37.33)	37.33	-	-	-
MAT Credit entitlement	-	(16.84)	-	-	(16.84)
<b>Deferred tax assets</b>	<b>(47.48)</b>	<b>15.54</b>	<b>1.08</b>	-	<b>(30.86)</b>
<b>Deferred tax assets (net) (B)</b>	<b>(41.33)</b>	<b>13.28</b>	<b>1.08</b>	-	<b>(26.97)</b>
<b>Total</b>	<b>235.50</b>	<b>146.59</b>	<b>26.61</b>	-	<b>408.70</b>

The group had not created deferred tax asset on the unused tax losses of foreign subsidiary AELIUS Semiconductors Pte. Ltd amounting to INR 41.09 lakhs (2018: INR 46.75 lakhs). The unused tax losses can be carried forward indefinitely.

**Note 15: Current Borrowings**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Secured</b>		
<b>From banks</b>		
<b>Working Capital</b>		
HDFC Bank	248.45	2,172.67
<b>Bank Overdraft</b>		
HDFC Bank	5.31	-
<b>Total</b>	<b>253.76</b>	<b>2,172.67</b>

Refer note no. 35 for the assets pledged as security

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Nature of security:****Prime Security:**

Pari Passu first charge on stocks and receivables and other chargeable current assets of the group along with other working capital lenders

**Collateral Security:**

Pari Passu first charge on entire unencumbered Fixed Assets of the group (other than those financed by term lenders) along with other working capital lenders, including equitable mortgage of company's properties offered as collateral security and Pari Passu second charge on the fixed assets of the group funded by other term lenders.

**Personal Guarantee:**

Personal Guarantee of the former Managing Director and former Chief Operating officer who are also founders of the Company.

**Terms of repayment:**

- i) Working capital Loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.
- ii) Interest rates are normally reset on an yearly basis. Present rate of interest is 8.25%.
- iii) Working capital demand loans(bank over draft) are repayable on demand and the interest rate for these loans are in the range of 9.25% to 11.45%.

**Note 16(a): Trade Payables : Dues to Micro and Small enterprises**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Dues to micro enterprises and small enterprises (Refer below)	57.65	132.69
<b>Total</b>	<b>57.65</b>	<b>132.69</b>

**Note 16(b): Trade Payables : Dues to Other than Micro and Small enterprises**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Trade Payables : Others	2,401.46	1,335.84
<b>Total</b>	<b>2,401.46</b>	<b>1,335.84</b>

The group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	57.65	132.69
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 17: Other financial liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Current maturities of long term debt (Including non-convertible, redeemable debentures. Refer note 12 above)	950.66	5,940.22
Unpaid Dividend	91.42	83.27
Interest accrued	11.67	257.85
Capital creditors	64.40	214.91
Retention monies	18.11	83.83
Others	7.78	-
<b>Total</b>	<b>1,144.04</b>	<b>6,580.08</b>

**Debentures**

The 10.58% non-convertible, redeemable debentures was secured by First Pari Passu charge over movable property/Fixed Assets of the Company both present and future other than those Assets that are exclusively charged and any other security as mutually agreed between NCD holder and the Issuer.

Non-cumulative debentures were redeemed 50% in April 2018 and balance 50% redeemed in October 2018.

**Note 18: Current tax liabilities (net)**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Provision for income tax (net of advance tax of Rs. Nil, 2018: Rs. 1,530.82)	-	145.66
<b>Total</b>	<b>-</b>	<b>145.66</b>

**Note 19(a): Other current liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Payroll taxes payable	52.23	142.58
Statutory taxes payable	403.88	829.53
Employee benefits payable	851.52	1,332.19
Bonus and incentives	8.83	-
<b>Total</b>	<b>1,316.46</b>	<b>2,304.30</b>

**Note 19(b): Contract liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Current</b>		
Deferred Revenue	5,185.23	2,360.68
<b>Total</b>	<b>5,185.23</b>	<b>2,360.68</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Movement of Contract liabilities**

Particulars	Amount
<b>Opening balance of contract liabilities originally reported</b>	<b>2,360.68</b>
Interest accrued on Advances from customers	113.56
<b>Restated opening balance of contract liabilities</b>	<b>2,474.24</b>
Received during the year	6,175.05
Released to revenue during the year	(3,906.26)
Interest accrued on contract liabilities	442.20
<b>Closing balance of contract liabilities</b>	<b>5,185.23</b>

**Revenue recognised in relation to contract liabilities**

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities.

Particulars	As at March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period	
Deferred revenue	3,196.93
<b>Total</b>	<b>3,196.93</b>

**Note 20: Revenue from Operations**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Sale of Products (including excise duty)	26,322.14	34,714.95
Sale of Services	2,807.89	1,676.01
Other Operating Revenue	219.29	195.94
<b>Total</b>	<b>29,349.32</b>	<b>36,586.90</b>

Refer Note 41 for details about restatements for change in accounting policies consequent to adoption of Ind AS 115

*Unsatisfied long-term consulting contracts:*

The following table show unsatisfied performance obligations resulting from fixed price long term Sale of Products.

Particulars	Year ended
	March 31, 2019
Aggregate amount of the transaction price allocated to long term Sale of Products	117,541.74

The aggregate amount of transaction price allocated to unsatisfied performance obligations represents the open orders which are not yet delivered and the entity will recognise this revenue as the goods are delivered or services are rendered, which is expected to occur over the next 24 months.

Reconciliation of revenue recognised with contract price:

Particulars	Year ended
	March 31, 2019
<b>Contract price</b>	<b>29,016.77</b>
Adjustment for:	
Financing component	113.26
<b>Revenue from operations</b>	<b>29,130.03</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Critical Judgements in recognising revenue**

The group has considered that the advances received from the customers more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the company adjusted the transaction price to reflect the finance component from such customer advances.

**Note 21: Other Income**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Interest income from financial assets at amortised cost	156.69	170.70
Dividend income	-	16.12
Export incentives	1,079.07	59.22
Net gain/(loss) on disposal of property, plant and equipment	259.63	(0.28)
Net gain on financial assets mandatorily measured at fair value through profit or loss (Mutual Funds)	78.05	337.98
Net gain/(loss) on sale of current investments (Mutual Funds)	711.77	208.80
Loss on disposal of non-current investments	-	(6.00)
Miscellaneous Receipts	161.41	23.74
Changes in expected credit loss in receivables	5.58	35.38
<b>Total</b>	<b>2,452.20</b>	<b>845.66</b>

**Note 22: Cost of materials consumed**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Raw materials at the beginning of the year	5,212.92	6,935.38
Add: Purchases	19,485.18	12,476.56
Less: Raw materials at the end of the year	(6,689.68)	(5,212.92)
<b>Total</b>	<b>18,008.42</b>	<b>14,199.02</b>

**Note 23: Changes in inventories of finished goods and work-in-progress**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Opening Balance:</b>		
Finished goods	84.21	133.66
Work-in-progress	5,405.24	5,868.33
<b>Total(A)</b>	<b>5,489.45</b>	<b>6,001.99</b>
<b>Closing Balance:</b>		
Finished goods	229.34	84.21
Work-in-progress	7,046.25	5,405.24
<b>Total(B)</b>	<b>7,275.59</b>	<b>5,489.45</b>
<b>Changes in inventories of finished goods and work-in-progress (A)-(B)</b>	<b>(1,786.14)</b>	<b>512.54</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 24: Excise duty**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Excise duty	-	366.72
<b>Total</b>	<b>-</b>	<b>366.72</b>

**Note 25: Employee benefit expenses**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Salaries, wages and bonus	5,866.75	5,840.44
Contribution to Provident Fund	258.13	253.67
Contribution to Employee State Insurance	31.37	36.16
Gratuity	91.41	206.81
Leave encashment	75.93	285.70
Staff welfare expenses	178.96	326.77
<b>Total</b>	<b>6,502.55</b>	<b>6,949.55</b>

**Note 26: Depreciation**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Depreciation of property, plant and equipment	2,890.13	2,740.85
<b>Total</b>	<b>2,890.13</b>	<b>2,740.85</b>

**Note 27: Other expenses**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Power and fuel	315.72	329.24
Repairs and maintenance		
Plant and machinery	454.90	477.87
Buildings	37.41	33.15
Computers	219.66	216.50
Others	329.27	273.01
Travelling and conveyance	575.86	539.13
Printing and stationery	45.09	56.27
Telephone and communication charges	66.66	71.56
Operating lease rent	60.46	91.59
Insurance	75.10	72.08



**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Rates and taxes	60.36	67.66
Legal and professional fees	351.96	167.95
Auditors Remuneration (Refer note 27 (a))	20.00	19.50
Business promotion expenses	208.02	163.24
Royalty expense	8.33	-
Donations*	11.89	7.00
Corporate social responsibility expenditure	130.59	144.71
Security charges	131.85	126.68
Payments to non-executive directors	22.10	50.30
Bank charges and commission	360.23	268.85
Selling and distribution expenses	91.87	69.44
Foreign exchange fluctuations	38.90	45.26
Miscellaneous expenses	130.71	178.95
<b>Total</b>	<b>3,746.94</b>	<b>3,469.94</b>

\* Donations above include INR 1.25 lakhs (2018 - INR 1 lakhs) paid to the Communist Party of India (Marxist) and INR Nil (2018 - INR 1 lakhs) paid to Communist Party of India.

**Note 27(a): Auditors Remuneration**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>(a) To statutory auditors</b>		
Statutory Audit fee (including fees for quarterly reviews)	15.00	15.00
Fees for other services	5.00	4.50
<b>Total</b>	<b>20.00</b>	<b>19.50</b>

**Note 27(b): Corporate Social Responsibility expenditure**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Amount required to be spent as per Section 135 of the Act	149.05	150.45
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On Purposes other than (1) above*	130.59	144.71

\* Net of amount paid to Astra foundation 2019 : INR 19.50 lakhs (2018 - INR 6.5 lakhs).

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 27(c). Reconciliation of tax expenses and accounting profit multiplied by tax rate:**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Profit before income tax expense	1,335.80	7,974.37
Income tax rate	34.94%	34.61%
<b>Income tax expense</b>	<b>466.78</b>	<b>2,759.77</b>
Tax effect on amounts which are not taxable in calculating taxable income:		
<b>Permanent Disallowances</b>		
i) Effect of tax on disallowed expenses	140.62	504.60
<b>Additional tax credits</b>		
ii) Effect of weighted deduction on research and development expenditure	(305.00)	(1,439.78)
iii) Effect of share of loss from Joint venture on which no deferred tax asset is created	62.03	-
iv) Effect of Deferred tax asset not created on set off or carried forward losses from Subsidiaries	(5.78)	16.95
v) Effect of different rate of tax at subsidiaries	0.95	23.67
<b>Income tax recognised in statement of profit and loss</b>	<b>359.60</b>	<b>1,865.21</b>

**Note 28: Finance cost**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Interest expense</b>		
On term loans	183.93	261.61
On working capital loans	102.80	363.31
On debentures	197.25	578.59
Interest on delayed payment of income tax	0.13	16.06
Interest on advances received from customers	442.20	-
<b>Total</b>	<b>926.31</b>	<b>1,219.57</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Net Debt Reconciliation**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Net opening debt	9,538.99	13,780.00
Proceeds from long term borrowings	-	1,016.87
Repayment of long term borrowings	(5,950.67)	(974.96)
Proceeds from short term borrowings	2,005.31	7,000.00
Repayment of short term borrowings	(3,924.22)	(11,219.36)
Other adjustments including Amortisation of Processing charges on borrowings	22.12	(63.56)
<b>Net closing debt</b>	<b>1,691.53</b>	<b>9,538.99</b>

**Note 29 : Earnings per share**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Profit after tax attributable to owners of the Company	976.20	6,109.00
<b>Basic:</b>		
Weighted average number of equity shares	86,611,675	86,611,675
Earnings per share (Rs.)	1.13	7.05
<b>Diluted:</b>		
Earnings per share (Rs.)	1.13	7.05

Note: EPS is calculated based on profits excluding the other comprehensive income

**Note 30. Related party disclosures**
**A. List of Related Parties:**

Name of the Related Party	Nature of Relationship
Traana Technologies Private Limited	Associate till February 27, 2018
Astra UBS Technologies Private Limited	Company in which KMP have control-Closed w.e.f. January 24, 2019
Astra Rafael Comsys Private Limited	Company in which KMP have control till June 17, 2018, Joint Venture Company w.e.f June 18, 2018
Astra Infonets Limited	Company where relative of a director is a director
Mr. S. Krishna Reddy	Relative of a director
<b>Key managerial persons (KMP):</b>	
Mr. B. Malla Reddy	Managing Director - Resigned w.e.f. March 31, 2019
Mr. P.A. Chitrakar	Chief Operating Officer-Resigned w.e.f. March 31, 2019
Mrs. C. Prameelamma	Director (Technical)-Resigned w.e.f. March 31, 2019
Mr. S. Gurunatha Reddy	Whole-Time Director and CFO- Appointed as M.D.w.e.f. April 01, 2019
Mr. M. Venkateshwar Reddy	Director - Marketing & Operations-Appointed as Joint M.D.w.e.f. April 01, 2019

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Dr. Shibhan K. Koul	Non-executive Director-Retired w.e.f. March 31, 2019
Mr. T. Ramachandru	Non-executive Director-Resigned w.e.f. March 22, 2019
Mr. Arun Kumar Tiwari	Non-executive Director-Resigned w.e.f. October 13, 2017
Mr. V. V. R. Sastry	Chairman - Audit Committee and Non- executive Director
Mr. B. L. N. Raju	Non-executive Director
Dr. Avinash Chander	Non-executive Director - Appointed as Chairman of the Board w.e.f. April 01, 2019
Mr. Sunil Kumar Sharma	Additional director-Independent Director w.e.f March 22, 2019
Mr. T. Anjaneyulu	Company Secretary

**B. Details of outstanding balances as at the year end receivable / (payable):**

Name of the related parties	Nature of transactions/ balance	Year ended	
		March 31, 2019	March 31, 2018
Astra UBS Technologies Private Limited- Company Closed during the year 18-19	Investment in Shares	-	0.10
Astra Rafael Comsys Private Limited	Rent Receivable	0.66	-
	Investment in Shares	1,625.00	0.10

**C. Details of transactions during the year:**

Name of the related parties	Nature of transactions/ balance	Year ended	
		March 31, 2019	March 31, 2018
Astra Rafael Comsys Pvt.Ltd	Investment in Shares	1,624.90	-
	Amount received from ARC for sale of Land	331.66	-
	Professional charges received from ARC	69.66	-
	Rent Received	5.40	-
	Joint Venture Expenses Reimbursed to ARC	11.03	-
Traana Technologies Private Limited	Purchase of materials	-	20.00
	Sale of investments	-	20.00
Astra Infonets Limited	Rent Paid	29.26	28.92
Mr. B. Malla Reddy	Director's remuneration	116.98	124.27
Mr. P.A. Chitrakar	Director's remuneration	86.51	123.49
Mrs. C. Prameelamma	Director's remuneration	99.06	124.06
Mr. S. Gurunatha Reddy	Director's remuneration	67.45	88.17
Mr. M. Venkateshwar Reddy	Director's remuneration	55.49	92.43
Dr. Shibhan K. Koul	Payments to non-executive directors	4.45	10.75

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Mr. T. Ramachandru	Payments to non-executive directors	<b>4.25</b>	10.60
Mr. Arun Kumar Tiwari	Payments to non-executive directors	-	5.30
Mr. V. V. R. Sastry	Payments to non-executive directors	<b>4.45</b>	10.75
Mr. B. L. N. Raju	Payments to non-executive directors	<b>4.30</b>	10.75
Dr. Avinash Chander	Payments to non-executive directors	<b>4.45</b>	2.15
Mr. Sunil Kumar Sharma	Payments to non-executive directors	<b>0.20</b>	-
Mr. S. Krishna Reddy	Remuneration to relative of a director	<b>19.63</b>	17.49
Mr. T. Anjaneyulu	Company secretary's remuneration	<b>15.50</b>	14.81

**Note 31: Employee benefit Obligations**
**a) Leave obligations**

The leave obligation covers the group's liability for sick and earned leave. Refer Note-13, for details of provision made in this regard.

**b) Defined Contribution Plan**

The group has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the year towards defined such plan for the financial year 2018-19 is INR 258.13 lakhs and for the financial year 2017-18 is INR 253.67 lakhs.

**c) Defined Benefit Plans:**
**Gratuity**

The group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

**Defined benefit plans – as per actuarial valuation on March 31, 2019**
**i. Expense recognized in the Statement of Profit and Loss for the year ended March 31 :**

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
	Amount	Amount
1. Current service cost	<b>73.86</b>	190.00
2. Past Service Credit	-	-
3. Interest cost (net)	<b>17.55</b>	16.81
<b>Total expense/(gain) recognised in P&amp;L</b>	<b>91.41</b>	206.81

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**ii. Included in other Comprehensive Income**

Particulars	March 31, 2019	March 31, 2018
	Amount	Amount
1. Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	32.14	-
- Financial Assumptions	8.80	(75.93)
- Experience Adjustments	(352.76)	(0.21)
<b>Total expense/(gain) recognised in OCI</b>	<b>(311.82)</b>	<b>(76.14)</b>

**iii. Net Liability/(Asset) recognised in the Balance Sheet as at 31st March**

Particulars	March 31, 2019	March 31, 2018
	Amount	Amount
1. Present value of defined benefit obligation as at 31st March	689.43	890.97
2. Fair value of plan assets as at 31st March	740.72	632.58
3. (Surplus)/Deficit	(51.29)	258.39
4. Current portion of the above included in other current assets	(64.91)	-
5. Current portion of the above included in provisions	2.27	125.10
6. Non current portion of the above included in provisions	11.35	133.29

**iv. Changes in Obligation and fair value of plan assets during the year**

Particulars	March 31, 2019	March 31, 2018
	Amount	Amount
<b>A. Change in the obligation during the year ended 31st March</b>		
1. Present value of defined benefit obligation at the beginning of the year	890.97	760.27
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	73.86	190.00
- Past Service Cost	-	-
- Interest Expense (Income)	67.96	55.96
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:	-	-
i. Demographic Assumptions	32.14	-
ii. Financial Assumptions	8.80	(75.93)
iii. Experience Adjustments	(356.02)	-
4. Benefit payments	(28.28)	(39.33)
<b>5. Present value of defined benefit obligation at the end of the year</b>	<b>689.43</b>	<b>890.97</b>
<b>B. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	632.58	531.99
- Interest Income	50.41	39.15
2. Recognised in Other Comprehensive Income	-	-
- Actual Return on plan assets in excess of the expected return	(3.26)	0.21
3. Contributions by employer (including benefit payments recoverable)	87.37	99.86
4. Benefit payments	(26.38)	(38.63)
<b>5. Fair value of plan assets at the end of the year</b>	<b>740.72</b>	<b>632.58</b>

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### The key assumptions used in accounting for gratuity are as below

<b>v. Actuarial assumptions</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
1. Interest rate/Discount rate	7.60%	7.75%
2. Rate of increase in compensation	6.00%	6.00%
3. Attrition rate	6.70%	3.00%

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### vi. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation to the amounts shown below:

<b>Particulars</b>	<b>For the Year ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
<b>Discount rate (If changed by 1%)</b>		
Increase	637.81	820.69
Decrease	749.21	973.43
<b>Salary escalation rate (If changed by 1%)</b>		
Increase	752.39	1,071.31
Decrease	634.18	747.07

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### Expected cashflow and duration of the plan

<b>Particulars</b>	<b>Gratuity plan</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Amount</b>	<b>Amount</b>
Weighted average duration of DBO	7.17	-
1. Expected employer contributions in the next year	32.45	137.60
2. Expected benefit payments		
Year 1	73.57	96.44
Year 2 - 5	236.86	20.91
Beyond 5 years	284.07	758.54



**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**vii. Weighted Average Asset Allocations at end of current period**

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Bonds	-	-
Equities	-	-
Insurance policies	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**viii. Risk exposure**

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

*Interest rate risk:*

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

*Salary inflation risk:*

Higher than expected increases in salary will increase the defined benefit obligation.

*Demographic risk:*

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Note 32****Segment information**

The group operates in a single product segment. Additional disclosures required as per Ind AS 108, "Operating Segments" are included below:

**a. Geographical Segment revenue by location of customers**

The following is an analysis of the Group's revenue and results from continuing operations by

Particulars	Segment Revenue	
	Year ended March 31, 2019	Year ended March 31, 2018
	Amount	Amount
In India	28,831.63	35,023.40
Outside India	517.69	1,563.50
<b>Total</b>	<b>29,349.32</b>	<b>36,586.90</b>

**b. Geographical Segment assets**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Segment assets</b>		
India	61,213.84	67,546.43
Outside India	396.43	83.70
<b>Consolidated total assets</b>	<b>61,610.27</b>	<b>67,630.13</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Major Customers contributing more than 10 percent of revenue**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Antrix Corporation Limited	4,099.70	-
Bharat Dynamics Ltd	3,363.13	11,357.09
Bharat Electronics Ltd	-	6,150.25
DCX Cable Assemblies Pvt., Ltd.,	3,855.18	-

**Note 33: Commitments and contingent liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Claims against the group not acknowledged as debts in respect of:		
a) Disputed excise duty matters *	248.19	248.19
b) Estimated amount of capital contracts remaining to be executed and not provided for	353.62	68.21
	<b>601.81</b>	<b>316.40</b>

\* The group has received a favorable order against demand raised by Commissioner of Customs, Central Excise and Service Tax. However, the same has been disclosed as contingent liability as the department has preferred an appeal before Hon'ble High Court, Telangana and Andhra Pradesh.

The group is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organization in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

**Note 34: Events Occurring after the reporting period :**

Refer to Note 40 for the final dividend recommended by the directors which is subject to approvals of shareholders in the ensuing annual general meeting.

**Note 35 : Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Current</b>		
Financial assets		
Trade receivables	19,206.64	19,040.19
Non-financial assets		
Inventories	13,842.17	10,700.88
<b>Total current assets pledged as security (A)</b>	<b>33,048.81</b>	<b>29,741.07</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

<b>Non-current</b>		
Property, plant and equipment	<b>11,544.22</b>	12,305.29
Capital work-in-progress	<b>243.39</b>	72.50
<b>Total non-current assets pledged as security (B)</b>	<b>11,787.61</b>	12,377.79
<b>Total assets pledged as security* ((A) + (B))</b>	<b>44,836.42</b>	42,118.86

\* In addition, all chargeable current assets are pledged to the banks as security

**Note 36: Research and development**

Particulars	year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centres		
a) Revenue expenditure	<b>1,745.63</b>	2,389.82
b) Capital expenditure	-	1,976.90
	<b>1,745.63</b>	4,366.72

**Note 37: Financial Instruments****Fair value**

The management assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The group has determined fair value of Non current financial assets and liabilities using discounted cash flow of future projected of cash flow

Set out below, is a comparison by class of the carrying amounts and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
<b>Assets:</b>						
<b>Non-current</b>						
(a) Other financial assets	3	1,289.01	-	-	1,289.01	1,289.01
<b>Current</b>						
(a) Trade receivables	3	19,214.06	-	-	19,214.06	19,214.06
(b) Cash and cash equivalents	3	981.19	-	-	981.19	981.19
(c) Bank balances other than (b) above	3	1,809.31	-	-	1,809.31	1,809.31
(d) Investments	1	-	-	2,023.46	2,023.46	2,023.46
<b>Total</b>		<b>23,293.57</b>	-	<b>2,023.46</b>	<b>25,317.03</b>	<b>25,317.03</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

<b>Liabilities:</b>						
Non-current liabilities						
(a) Borrowings	3	475.44	-	-	475.44	475.44
<b>Current</b>						
Financial liabilities						
(a) Borrowings	3	253.76	-	-	253.76	253.76
(b) Trade payables	3	2,459.11	-	-	2,459.11	2,459.11
(c) Other financial liabilities	3	1,144.04	-	-	1,144.04	1,144.04
<b>Total</b>		<b>4,332.35</b>	-	-	<b>4,332.35</b>	<b>4,332.35</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
<b>Assets:</b>						
<b>Non-Current</b>						
(a) Investments	3	-	-	0.20	0.20	0.20
(b) Other financial assets	3	1,707.91	-	-	1,707.91	1,707.91
<b>Current</b>						
(a) Trade receivables	3	19,040.59	-	-	19,040.59	19,040.59
(b) Cash and cash equivalents	3	2,134.31	-	-	2,134.31	2,134.31
(c) Bank balances other than (b) above	3	833.27	-	-	833.27	833.27
(d) Investments	1	-	-	12,573.31	12,573.31	12,573.31
<b>Total</b>		<b>23,716.08</b>	-	<b>12,573.51</b>	<b>36,289.59</b>	<b>36,289.59</b>
<b>Liabilities:</b>						
<b>Non-Current</b>						
(a) Borrowings	3	1,426.10	-	-	1,426.10	1,426.10
<b>Current</b>						
(a) Borrowings	3	2,172.67	-	-	2,172.67	2,172.67
(b) Trade payables	3	1,468.53	-	-	1,468.53	1,468.53
(c) Other financial liabilities	3	6,580.08	-	-	6,580.08	6,580.08
<b>Total</b>		<b>11,647.38</b>	-	-	<b>11,647.38</b>	<b>11,647.38</b>

**Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Note 38. Financial risk management**
**Risk management framework**

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The group's management risk policy is set by the Board of Directors of the Company. The group's activities expose it to a variety of financial risks : credit risk, liquidity risk and market risk relating to foreign currency exchange rate. The

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

### Credit risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets. The group primarily deals with Public Sector Enterprises and Government undertakings. Regarding credit exposure from customers, the group has a procedure in place aiming to minimise collection losses.

The carrying amount of trade receivables, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents group's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group also holds deposits as security from certain customers to mitigate credit risk.

### a. Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate and are derived from revenue earned from customers primarily located in India. The group has a process in place to monitor outstanding receivables on a monthly basis.

The Group's exposure to credit risk for trade and other receivables where simplified approach of recognising expected credit loss is recognised.

Particulars	Carrying amount	
	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Trade receivables (Gross)	19,803.06	19,635.17
Less: Expected credit loss	(589.00)	(594.58)
<b>Trade receivables as per the financial statements</b>	<b>19,214.06</b>	<b>19,040.59</b>

The group's exposure to credit risk for financial assets other than trade receivables, where 12 month expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Cash and cash equivalents	981.19	2,134.31
Other bank balances	1,809.31	833.27
Other financial assets	1,289.01	1,707.91
Less: Expected credit loss	-	-
<b>Trade receivables as per the financial statements</b>	<b>4,079.51</b>	<b>4,675.49</b>

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Movement in Expected Credit loss

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Opening balance	594.58	629.96
Add: provided during the year	(5.58)	(35.38)
Net re-measurement of ECL	589.00	594.58

### Significant estimates and judgments

#### Provision for expected credit loss on Trade receivables

The allowance for doubtful debts are based on assumptions about risk of default and expected loss rates. The group uses judgment in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Following are the financial assets carried at amortised cost at the reporting date.

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Trade receivables	19,214.06	19,040.59
Cash and cash equivalents	981.19	2,134.31
Other bank balances	1,809.31	833.27
Other financial assets	1,289.01	1,707.91
	<b>23,293.57</b>	<b>23,716.08</b>

### Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The group's Management is responsible for liquidity, funding as well as settlement management.

The group monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. As at 31 March 2019, the expected cash flows from trade receivables is INR 19,214.06 lakhs (As at March 31, 2018: INR 19,040.59 lakhs).

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

#### (i) Financing arrangements

The group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
Expiring within one year (bank overdraft and other facilities)	14,251.55	11,127.33

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**(ii) Maturities of financial liabilities****As at March 31, 2019**

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	253.76	475.44	-	729.20
Trade payables	2,459.11	-	-	2,459.11
Other financial liabilities (excluding trade payables)	1,144.04	-	-	1,144.04
	<b>3,856.91</b>	<b>475.44</b>	-	<b>4,332.35</b>

**As at March 31, 2018**

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	2,172.67	1,426.10	-	3,598.77
Trade payables	1,468.53	-	-	1,468.53
Other financial liabilities (excluding trade payables)	6,590.53	-	-	6,590.53
	<b>10,231.73</b>	<b>1,426.10</b>	-	<b>11,657.83</b>

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and trade receivables. The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables and trade/other receivables. The risks primarily relate to fluctuations in US Dollar and EURO against the functional currency of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The group has not entered into derivative instruments during the year.

The Group's foreign currency payables and receivables are as follows

**Exposure to currency risk**

The summary quantitative data about the Company's gross exposure to currency risk is as follows:

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Receivable	USD	27.39	1,894.08	17.09	1,105.01
	EURO	1.46	113.36	0.41	31.94
Amounts Payable	USD	(7.33)	(506.66)	(3.30)	(215.10)
	EURO	(0.20)	(15.36)	(1.33)	(107.19)



## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Sensitivity analysis:

A reasonably possible strengthening (weakening) of the USD, against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
<b>31-Mar-19 (one rupee movement)</b>				
USD	20.06	(20.06)	13.05	(13.05)
EURO	1.26	(1.26)	0.82	(0.82)
<b>31-Mar-18 (one rupee movement)</b>				
USD	13.79	(13.79)	8.97	(8.97)
EURO	(0.92)	0.92	(0.60)	0.60

### Price Risk

The group invests its surplus funds primarily for short tenor in debt mutual funds measured at fair value through profit or loss. The following table demonstrate the sensitivity to a reasonably possible change in the price of the investments before tax:

Particulars	Increase/(decrease) in profit before tax	
	31 March 2019	31 March 2018
Increase by 1%	20.23	125.73
Decrease by 1%	(20.23)	(125.73)

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2019	31 March 2018
<b>Change in interest rate</b>		
-increase by 50 basis points	2.42	6.02
-decrease by 50 basis points	(2.42)	(6.02)

### Note 39: Capital Management

The group's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

As at March 31, 2019, the group has only one class of equity shares. Consequent to the above capital structure there are no externally imposed capital requirements.

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The group monitors capital using a gearing ratio, which is debt divided by total capital. The group includes within debt, interest bearing loans and borrowings.

**Capital gearing ratio**

Particulars	As at	
	March 31, 2019	March 31, 2018
	Amount	Amount
<b>Borrowings</b>		
Current - Short term borrowings	253.76	2,172.67
Non current - Long term borrowings	475.44	1,426.10
Current maturities of long term borrowings	950.66	5,940.22
<b>Debt</b>	<b>1,679.86</b>	<b>9,538.99</b>
<b>Equity</b>		
Equity share capital	1,732.23	1,732.23
Other equity	48,224.10	48,371.35
<b>Total capital</b>	<b>49,956.33</b>	<b>50,103.58</b>
<b>Net debt to equity ratio</b>	<b>3%</b>	<b>19%</b>

**Note 40. Dividends**

Particulars	March 31, 2019
a) Final dividend declared for the year ended March 31, 2018 and paid during the year ended March 31, 2019 - Re. 1.20/- per fully paid-up share	1,039.34
b) Final dividend declared for the year ended March 31, 2017 and paid during the year ended March 31, 2018 - Re. 1/- per fully paid-up share	866.12
c) Proposed dividend Rs. 0.25/- per fully paid-up share subject to the approval of shareholders in ensuing annual general meeting.	216.53

**Note 41: Change in Accounting policies**

The group has applied Ind as 115 Revenue from contracts with customers for the first time by using the modified retrospective method of adoption with the date of initial application 1 April 2018. Under this method group recognised the cumulative effect of applying Ind AS 115 as an adjustment to the retained earnings as at 1 April 2018. Comparative periods has not been adjusted.

Entities applying the modified retrospective method can elect to apply the revenue standard only to contracts that are not completed as at the date of initial application (that is, they would ignore the effects of applying the revenue standard to contracts that were completed prior to the date of initial application). By taking that practical expedient the group applies Ind AS 115 for all the contracts that were not completed on 1 April, 2018.

**The Impact on the group's retained earnings as at April 01, 2018**

Particulars	Amount
<b>Impact on retained earnings as at April 01, 2018</b>	
Retained earnings as at April 01, 2018 earlier reported	34,033.22
Interest accrued on advances from customers	(113.56)
Deferred tax impact	39.68
<b>Retained earnings</b>	<b>33,959.34</b>

The following table presents the amount by which financial statement line item is affected in the current year ended March 31, 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Balance sheet (extract)	March 31, 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	March 31, 2019 (as reported)
<b>Non current liabilities</b>			
Deferred tax liabilities	626.35	(154.63)	471.72
<b>Total Non Current liabilities</b>	<b>1,125.60</b>	<b>(154.63)</b>	<b>970.97</b>
<b>Current liabilities</b>			
Contract liabilities	4,742.73	442.50	5,185.23
Total Current liabilities	10,240.31	442.50	10,682.81
<b>Total Liabilities</b>	<b>11,365.91</b>	<b>287.87</b>	<b>11,653.78</b>
<b>Net Assets</b>	<b>50,244.36</b>	<b>(287.87)</b>	<b>49,956.49</b>
Retained earnings	34,173.43	(287.87)	33,885.56
<b>Total Equity</b>	<b>50,244.36</b>	<b>(287.87)</b>	<b>49,956.49</b>

**Extract from the Statement of Profit and Loss**

Statement of Profit and loss (extract) year ended March 31, 2019	March 31, 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	March 31, 2019 (as reported)
Revenue from operations	29,236.06	113.26	29,349.32
<b>Total Income</b>	<b>31,688.26</b>	<b>113.26</b>	<b>31,801.52</b>
Finance cost	484.11	442.20	926.31
<b>Total expenses</b>	<b>29,846.01</b>	<b>442.20</b>	<b>30,288.21</b>
<b>Profit/(Loss )before tax and Share of profit from JV</b>	<b>1,842.25</b>	<b>(328.94)</b>	<b>1,513.31</b>
<b>Profit/(Loss )before tax</b>	<b>1,664.74</b>	<b>(328.94)</b>	<b>1,335.80</b>
Deferred tax expense/(credit)	21.73	(114.95)	(93.22)
<b>Profit for the year</b>	<b>1,190.19</b>	<b>(213.99)</b>	<b>976.20</b>
<b>Total Comprehensive income</b>	<b>1,393.60</b>	<b>(213.99)</b>	<b>1,179.61</b>
<b>Basic and diluted EPS</b>	<b>1.38</b>	<b>(0.25)</b>	<b>1.13</b>

**Modified Retrospective method on transition**

The group has considered that the advances received from the customers for more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the group adjusted the transaction price to reflect the finance component from such customer advances.

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 42 : Additional information required by Schedule III

Name of the entity in the Group	Net Assets *		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
<b>Parent</b>								
<b>Astra Microwave Products Limited</b>								
Balance as at March 31, 2019	95.90%	47,906.79	128.45%	1,253.98	98.54%	200.44	123.30%	1,454.42
Balance as at March 31, 2018	99.01%	49,610.07	99.35%	6,069.04	114.26%	48.24	99.45%	6,117.28
<b>Subsidiaries incorporated in India</b>								
<b>Bhavyabhanu Electronics Private Limited</b>								
Balance as at March 31, 2019	0.60%	301.51	-13.82%	(134.90)	1.25%	2.56	-11.22%	(132.34)
Balance as at March 31, 2018	0.87%	433.85	1.51%	92.42	-14.26%	(6.02)	1.40%	86.40
<b>Astra foundation</b>								
Balance as at March 31, 2019	0.00%	1.69	0.06%	0.63	0.00%	-	0.05%	0.63
Balance as at March 31, 2018	0.00%	1.06	0.01%	0.52	0.00%	-	0.01%	0.52
<b>Subsidiaries incorporated outside India</b>								
<b>AELIUS Semiconductors Pte. Ltd. Singapore</b>								
Balance as at March 31, 2019	0.60%	299.01	3.48%	34.00	0.20%	0.41	2.92%	34.41
Balance as at March 31, 2018	0.12%	58.76	-0.86%	(52.82)	0.00%	-	-0.86%	(52.82)
<b>Investment as per equity method</b>								
<b>Joint venture incorporated in India</b>								
<b>Astra Rafael Comsys Private Limited</b>								
Balance as at March 31, 2019	2.90%	1,447.49	-18.18%	(177.51)	0.00%	-	-15.05%	(177.51)
Balance as at March 31, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Non Controlling Interests in all subsidiaries</b>								
Balance as at March 31, 2019	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
Balance as at March 31, 2018	0.00%	(0.16)	0.00%	(0.16)	0.00%	-	0.00%	(0.16)
<b>Total</b>								
Balance as at March 31, 2019		49,956.33		976.20		203.41		1,179.61
Balance as at March 31, 2018		50,103.58		6,109.00		42.22		6,151.22

### Note 43: Interest in other entities

The consolidated financial statements of the Group includes subsidiaries and jointly controlled entities (JCE) listed in the table below with the nature of Interest and coutry of incorporation of the entity

	Name	Nature of interest	Country of incorporation	% effective equity interest by group		% effective equity interest by NCI	
				31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Bhavyabhanu Electronics Private Limited	Subsidiary	India	99.9989%	99.9989%	0.001%	0.001%
2	AELIUS Semiconductors Pte. Ltd. Singapore	Subsidiary	Singapore	100%	100%	-	-
3	Astra foundation	Subsidiary	India	99.90%	99.90%	0.10%	0.10%
4	Astra Rafael Comsys Private Limited	Joint venture	India	50%	NA	NA	NA

## Notes to consolidated financial statements for the year ended March 31, 2019

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Interest in Joint venture

The Company has invested 50 % in Astra Rafael, a Joint venture with Rafael to focus on defence communication and specific Electronic Warfare segment and a business plan in terms of potential business opportunities. The Group's interest in Astra Rafael is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Joint venture has been consolidated using Equity method of consolidation.

### Commitments and contingent liabilities in respect of Joint Ventures

Particulars	As at
	31-Mar-19
	Amount
Estimated amount of capital contracts remaining to be executed and not provided for	593.34

### Summarised financial information of Astra Rafael Comsys Private Limited (Joint venture)

Particulars	As at
	31-Mar-19
	Amount
<b>Current assets</b>	
Financial assets	
i. Investments	1,405.47
ii. Cash and cash equivalents	65.63
iii. Other bank balances	526.51
Current tax assets (net)	3.02
Other current assets	52.44
<b>Total Current Assets</b>	<b>2,053.07</b>
<b>Non-current assets</b>	
Property, plant and equipment	356.41
Capital Work-in-progress	638.13
Intangible assets under development	51.14
Financial assets	
i. Other financial assets	6.35
Deferred tax assets (Net)	27.99
Other non-current assets	116.82
<b>Total Non Current Assets</b>	<b>1,196.84</b>
<b>Current liabilities</b>	
Financial liabilities	
i. Trade payables	
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7.65
ii. Other financial liabilities	21.11
Other current liabilities	33.16
<b>Total current liabilities</b>	<b>61.92</b>
<b>Non Current Liabilities</b>	-
<b>Total current liabilities</b>	-
<b>Net Assets</b>	<b>3,187.99</b>

**Notes to consolidated financial statements for the year ended March 31, 2019**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Reconciliation of group's share of Net assets in Joint venture with the carrying value**

Particulars	Amount
Group's share of net asstes in the joint venture in INR	1,594.00
Less: unrealised gain on sale of property, plat & equipment	(146.51)
Total	1,447.49
Carrying value of Investment under equity method	1,447.49

**Summarized statement of Profit & loss of Astra Rafael Comsys Private Limited (Joint venture)**

Particulars	Year ended
	31-Mar-19
	Amount
<b>Revenue</b>	
Revenue from operations	232.65
Other income	144.64
<b>Total Revenue</b>	<b>377.29</b>
<b>Expense</b>	
Employees benefits expense	331.99
Depreciation and amortisation expenses	2.19
Other expenses	131.26
Tax expense	
- Current tax	-
- Deferred tax	(27.99)
<b>Total Expense</b>	<b>437.45</b>
<b>Profit from continuing operations</b>	<b>(60.16)</b>
Profit from discontinued operations	-
<b>Profit for the year</b>	<b>(60.16)</b>
Other comprehensive income	-
<b>Total comprehensive income</b>	<b>(60.16)</b>

**44: Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.**

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

Place : Hyderabad  
Date : May 09, 2019

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401

**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

**ASTRA MICROWAVE PRODUCTS LIMITED**Registered Office : ASTRA TOWERS, Survey No:12 (Part), Opp. CII Green Building,  
Hitech City, Kondapur, Hyderabad - 500 038(Corporate Identity No. L29309TG1991PLC013203)**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :			
Registered address :			
E-Mail Id :			
Folio No/ Client Id :		DP ID	

I/We, being the member (s) of..... Shares of Astra Microwave Products Limited, hereby appoint:

1	NAME		
	Address		
	E -Mail Id	Signature	
	or failing him		
2	NAME		
	Address		
	E -Mail Id	Signature	
	or failing him		
3	NAME		
	Address		
	E -Mail Id	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Wednesday, the 14th August, 2019 at 12:30 P.M at the Swagath-De-Royal Hotel, 2-36, Kothaguda X Roads, Kondapur, Hyderabad - 500 084, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	Optional*	
		For	Against
ORDINARY BUSINESS			
1	To receive, consider and adopt:		
	a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Board of Directors and Auditors thereon.		
	b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Auditors thereon.		
2	To declare a dividend on Equity Shares		
3	To appoint Mr. M.V.Reddy (DIN: 00421401), who retires by rotation as a Director and being eligible, offers himself for re-appointment.		
SPECIAL BUSINESS			
4	Appointment of Mr. Sunil Kumar Sharma (DIN: 03614952) as an Independent Director.		
5	Appointment of Ms. Kiran Dhingra (DIN: 00425602) as an Independent Director.		
6	Appointment of Mr. Atim Kabra (DIN: 00003366) as a Non-Executive Director.		
7	Authorisation to the Board of Directors to pay Commission to the Non-Executive Directors of the Company under Section 197 and 198 of the Companies Act, 2013.		
8	Reclassification of Persons/Entities forming part of the Promoter Group from 'Promoter & Promoter Group Category' to 'Public Category'.		
9	Promotion and re-designation of Mr. S.Gurunatha Reddy, (DIN: 00003828) as the Managing Director of the company.		
10	Promotion and re-designation of Mr. M.V.Reddy (DIN: 00421401), as the Joint Managing Director of the Company.		
11	Ratification of Cost Auditor's remuneration		

Signed this ..... Day of .....2019.

Signature of shareholder : \_\_\_\_\_

Signature of Proxy holder (s) : \_\_\_\_\_

**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- \* It is optional to put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.







## ATTENDANCE SLIP

**28TH ANNUAL GENERAL MEETING - August 14, 2019 AT 12:30 P.M.**

DP Id.		Name & Address of the registered Shareholder
Client Id/Regd. Folio No.		
No. of Shares held		

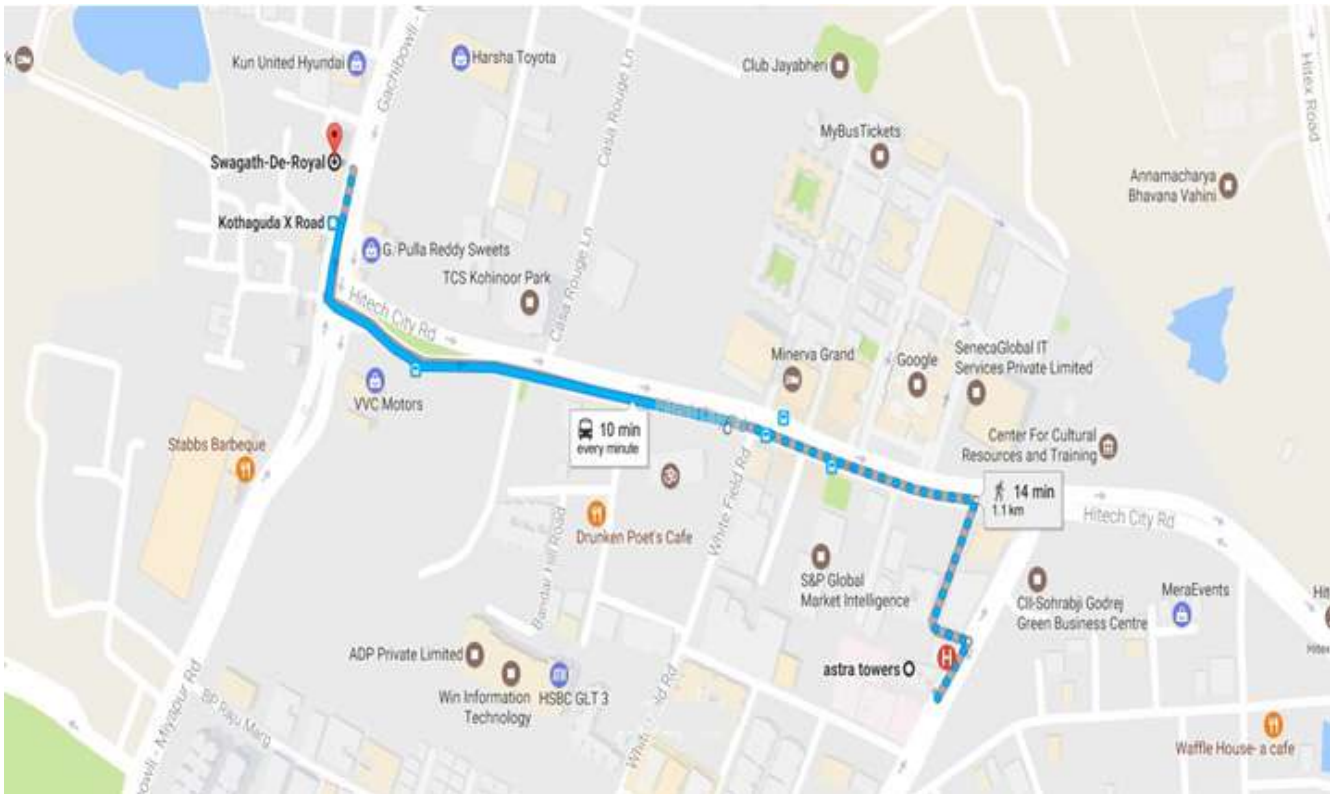
I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 28th Annual General Meeting of the Company being held on Swagath-De-Royal Hotel, 2-36, Kothaguda X Roads, Kondapur, Hyderabad - 500 084, Telangana, on Wednesday, 14th August, 2019 at 12.30 p.m

Member's/Proxy's Signature

Note : Please complete this and hand it over at the entrance of the hall.

## Route Map for Venue of the Meeting



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## NOTES

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## **Astra Microwave Products Limited**

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Hitech City, Kondapur, Hyderabad - 500 038.

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Fax: +91-40-46618048, [info@astramwp.com](mailto:info@astramwp.com)

CIN: L29309TG1991PLC013203

[www.astramwp.com](http://www.astramwp.com)